



# **NAVAL POSTGRADUATE SCHOOL**

**MONTEREY, CALIFORNIA**

## **THESIS**

**SOFT MEANS AND HARD ENDS: ASSESSING HUGO  
CHAVEZ'S EFFORTS TO COUNTER UNITED STATES'  
PREPONDERANCE**

by

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December 2007

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**SOFT MEANS AND HARD ENDS: ASSESSING HUGO CHAVEZ'S EFFORTS  
TO COUNTER UNITED STATES' PREPONDERANCE**

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## **ABSTRACT**

Since the end of the Cold War, the United States has maintained the dominant role in the international system, a role that has come to be challenged by certain small states. Presenting a four-tier model of the international system, this thesis examines how United States' preponderance is being challenged. In focusing on Venezuela as a case study, this thesis addresses the question: How has Hugo Chavez challenged U.S. preponderance regionally and internationally while protecting his Bolivarian Revolution for Venezuela? The research analyzes the methods small states utilize to challenge great power spheres of influence. Analyzing the elements of soft power and the processes of soft balancing as employed by small states, this thesis seeks to fill a void in the academic literature concerning both concepts as applied to small states. Furthermore, pursuing research into this topic provides a better understanding of the threat perceptions behind small state rejection of American unilateralism. If international peace, or at the very least stability, is to be actualized, then understanding the third and fourth order effects of U.S. foreign policy is imperative to such purposes.

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# **I. PREPONDERANCE CHALLENGED**

## **A. INTRODUCTION**

The hegemonic pretensions of the American empire are placing at risk the very survival of the human species...the American empire is doing all it can to consolidate its system of domination. And we cannot allow them to do that. We cannot allow world dictatorship to be consolidated.

— Venezuelan President Hugo Chavez, in his address to the United Nations on September 20, 2006.<sup>1</sup>

At the end of the Cold War, many scholars argued that the international system was becoming unipolar, one led by a single superpower with unequaled economic and military might.<sup>2</sup> During this period, the United States assumed the role as the preeminent global power, so the argument goes, and quickly demonstrated its unparalleled military power and projection capabilities during the first Gulf War. The 2003 Iraq War is a ready testament to the willingness of the United States to assert and defend its interests abroad. The willingness to assert power abroad via destructive means is indicative of a U.S. foreign policy that has become increasingly unilateral under the Bush Administration.

Many have written on how great powers respond to other great powers, but less attention is paid to small powers. In 1968, Robert Rothstein asserted that the view of the international order by small powers “is different in kind, and not merely in degree” from great powers. Ultimately, Rothstein asserts that “Small Powers think and act differently, and any analysis which fails to take that into account is bound to be simplistic and

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<sup>1</sup> Hugo Chavez, *Chavez Address to the United Nations on 20 September 2006*. [www.commondreams.org/cgi-bin/print.cgi?file=/views06/0920-22.htm](http://www.commondreams.org/cgi-bin/print.cgi?file=/views06/0920-22.htm), (accessed on November 29, 2006.)

<sup>2</sup> These assertions have been made by many scholars. William C. Wohlforth quantifies U.S. hegemony by comparing gross domestic product, military expenditures, and power capabilities as percentage of hegemon from 1870 to 1997; see, “The Stability of a Unipolar World,” *International Security* 24, no. 1 (Summer, 1999), 5-41, <http://links.jstor.org/sici?sici=0162-2889%28199922%2924%3A1%3C5%3ATSOAUW%3E2.0.CO%3B2-U> (accessed August 10, 2007).

inadequate.”<sup>3</sup> The differences between great power and small power views of the world include those on democracy, human rights issues, economic systems, and especially, threat perceptions.

The rising concern of small powers in regard to U.S. unilateralism is a logical response given current events. The relationship between the United States and Venezuela is no different. There is little debate concerning the role of the United States in influencing world events. The unfortunate consequences of U.S. unilateral action under the auspices of the Global War on Terrorism are evident around the world. The current predicament in Iraq attests not only to the strength and long reach of its hard power capabilities, but demonstrates the willingness of its administration to protect perceived U.S. interests throughout the globe regardless of international norms. Issues of international law, such as national sovereignty and use of force, are being pushed into the background under the Global War on Terror. The power and influence that the United States appears to wield lead many statesmen, such as Venezuelan President Hugo Chavez, to conclude that today’s world is unipolar and hegemonic.<sup>4</sup> The international order as viewed by leaders of small states like Chavez is perceived to be threatening. So how can small states leaders hope to challenge hegemonic powers in the international system?

This thesis seeks to answer the question: How has Hugo Chavez challenged U.S. preponderance regionally and internationally while protecting his Bolivarian Revolution for Venezuela? In focusing on Venezuela as a case study, this thesis addresses the broader question: How might small states challenge the U.S. dominance in the international system? The research analyzes the methods small states utilize to challenge great power spheres of influence. Analyzing the elements of soft power and the processes of soft balancing as employed by small states, this thesis seeks to fill a void in the academic literature concerning both concepts as applied to small states. Furthermore, pursuing research into this topic provides a better understanding of the threat perceptions

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<sup>3</sup> Rothstein, Robert L., *Alliances and Small Powers*, (NY: Columbia University Press, 1968), 1.

<sup>4</sup> Hugo Chavez, , “Address to the United Nations, September 20, 2006).  
<http://www.commondreams.org/views06/0920-22.htm> (accessed November 29, 2006).

behind small state rejection of American unilateralism. If international peace, or at the very least stability, is to be actualized, then understanding the third and fourth order effects of U.S. foreign policy is imperative to such purposes.

## **B. THE WORLD ORDER: UNIPOLAR?**

As stated above, following the end of the Cold War, many scholars proclaimed the coming of a unipolar world order. However, nearly two decades after the fall of the Soviet Union, is it reasonable to claim that the international system has remained unipolar? Understanding what constitutes a unipolar international system and the United State's place therein is imperative for developing this study because it helps to identify the hierarchy of states, in turn, identifying state interests according to status. In order to accomplish this task, three leading scholars on the subject are reviewed, William C. Wohlforth, John Ikenberry, and Robert Jervis.<sup>5</sup>

In his piece, "The Stability of the Unipolar World," Wohlforth defines unipolarity as the "structure in which one state's capabilities are too great to be counterbalanced."<sup>6</sup> He argues that after the fall of the Soviet Union, "the United States emerged as the sole surviving superpower;"<sup>7</sup> in that no other nation possessed the economic and military might held by the United States at the end of the Cold War. Furthermore, Wohlforth notes that, "The [U.S] has maintained its military supremacy; added to its share of world product, manufactures, and high-technology production; increased its lead in productivity; and regained or strengthened its lead in many strategic industries."<sup>8</sup> Citing

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<sup>5</sup> The three works surveyed by these authors are: G. John Ikenberry, "Institutions, Strategic Restraint, and the Persistence of American Postwar Order," *International Security* 23, no. 3 (Winter, 1998), 43-78, <http://links.jstor.org/sici?sici=0162-2889%28199824%2F199924%2923%3A3%3C43%3AISRATP%3E2.0.CO%3B2-G> (accessed 8/10/2007).; Robert 1940- Jervis, "The Remaking of a Unipolar World," *The Washington Quarterly* 29, no. 3 (2006), 7-19, [http://muse.jhu.edu/journals/washington\\_quarterly/v029/29.3jervis.html](http://muse.jhu.edu/journals/washington_quarterly/v029/29.3jervis.html) (accessed 10 August, 2007).; William C. Wohlforth, "The Stability of a Unipolar World," *International Security* 24, no. 1 (Summer, 1999), 5-41, <http://links.jstor.org/sici?sici=0162-2889%28199922%2924%3A1%3C5%3ATSOAUW%3E2.0.CO%3B2-U> (accessed August 10, 2007).

<sup>6</sup> Wohlforth develops this definition from the logic of neorealist balance-of-power theory, see his notes., 9.

<sup>7</sup> Ibid., 5.

<sup>8</sup> Ibid., 11.

the components of power as listed by Kenneth Waltz, Wohlforth conducts both a quantitative and qualitative analysis of states to demonstrate the United State's polar position.<sup>9</sup> These attributes have led to U.S. preponderance in the international system according to Wohlforth.

Critics of unipolarity contend that it is unstable and dangerous and that its fate is written on the wall. Three paths to its demise are envisioned: 1) counterbalancing by other states; 2) regional integration; 3) differential growth in power.<sup>10</sup> Addressing the critics of unipolarity, Wohlforth argues that unipolarity is neither dangerous nor destabilizing for the international system. Girding his theory that a unipolar world order lends to international stability, Wohlforth proposes two hypotheses: first, unipolarity is peaceful; second, unipolarity is durable.<sup>11</sup> Basing his analysis on balance of power theory and hegemonic theory, Wohlforth contends that under the current system, second-tier states will choose to bandwagon rather than balance. He extends the classic balance-of-power logic that a bipolar system is better than a multipolar system, therefore it follows that a unipolar system is best; his main assertion being that unipolarity staves off hegemonic rivalry and security competition.<sup>12</sup> His durability argument rests on the historical precedent of U.S. preponderance since the end of the Cold War. He calls attention to the lack of balancing behavior by second-tier states, the lack of regional blocs, and the absence of any substantial growth in power relative to the United States.

John Ikenberry takes an institutionalist approach to explaining the unipolar international order. In doing so, he does not explicitly disagree with Wohlforth's conclusions but identifies unipolar stability as a by product of the constitutionally based order constructed and supported by the United States. He asserts that states have agreed to bind themselves to certain rules under international law which begets strategic restraint by the great powers. Ultimately, the United States offered the great powers a deal, "If the

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<sup>9</sup> The components of power as listed by Waltz are: size of population and territory; resource endowment; economic capabilities; military strength; and competence. Kenneth Neal Waltz, *Theory of International Politics*, 1st ed. (Boston, Mass.: McGraw-Hill, 1979), 131.

<sup>10</sup> Wohlforth, "The Stability of a Unipolar World," 28.

<sup>11</sup> Ibid., 23-29.

<sup>12</sup> Ibid., 25-27.

U.S. would agree to operate within mutually acceptable institutions, thereby muting the implications of power asymmetries, the other countries would agree to be willing participants as well.”<sup>13</sup> A commitment to self-restraint provided legitimacy to the unipolar international order and contributed to its durability as previously defined by Wohlforth. Ikenberry concludes that this system is intrinsically stable as long as the polar power exercises self-restraint and operates within mutually accepted institutions.

Robert Jervis agrees with Wohlforth’s and Ikenberry’s analyses of the U.S. position in the world. In his piece, “The Remaking of a Unipolar World,” Jervis states, “Measured in any conceivable way, the United States has a greater share of world power than any other country in history...it is a hegemon in today’s unipolar world order.”<sup>14</sup> The bold assertion made by Jervis in this piece is that since the horrific attacks on 9/11, the United States has abandoned its status quo power status by adopting revolutionary foreign policies. Jervis identifies three foreign policies of the Bush administration that magnify any sense of threat by other states; these are: 1) current doctrinal emphasis that peace and cooperation can exist only when all important states are democratic; 2) preserving the world order requires preemption (prevention); 3) the international system must be transformed.<sup>15</sup> In this sense, a unipolar leader perceives threats by anything beyond its reach, such as threatening ideologies embodied by “rogue states,” and therefore will reject international law and constraints to protect itself.

All three scholars agree that the rejection of institutional constraints on power is a dangerous road for American foreign policy. Wohlforth concludes that, “the live-for-today nature of U.S. domestic institutions may be the chief threat to unipolar stability.”<sup>16</sup> Preemptive foreign policy threatens to “break the bargain” made by the United States with the great powers as defined by Ikenberry. Furthermore, U.S. power may not be as unfettered as conceived prior to the war in Iraq. Evidence of this can be found in the United States inability to receive United Nations Security Council approval for military

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<sup>13</sup> Ikenberry, *Institutions, Strategic Restraint, and the Persistence of American Postwar Order*, 77.

<sup>14</sup> Jervis, *The Remaking of a Unipolar World*, 7.

<sup>15</sup> *Ibid.*, 9.

<sup>16</sup> Wohlforth, *The Stability of a Unipolar World*, 41.

action in Iraq, and the refusal of such nations as Turkey and Saudi Arabia to provide launching pads for military operations. This does not imply that the United States is not a great power, or is losing power (the U.S. obviously removed Sadaam Hussein without a U.N. blessing), but as Jervis mentions, “the very fact of its great power means that even those sympathetic to it will worry with good reason that their interests may be neglected”<sup>17</sup> and possibly even infringed.

Thus, the stability of the unipolar system is in danger. U.S. unilateral initiatives in the post-9/11 environment threaten to awaken the realist fears of states – that a hegemonic international order led by a unilateralist U.S. threatens them. Most threatened will be those states sitting on the lower rungs of the international order whose political ideologies do not mesh with U.S. expectations. Traditional balance of power theory becomes more relevant in this hostile unipolar international order. However, traditional balancing behavior has yet to materialize. The available methods for balancing against a hegemon are discussed later. The next section defines what is meant by small states and their third-tier status in a unipolar world order.

### **C. THE INTERNATIONAL SYSTEM: A FOUR-TIERED MODEL**

This thesis adopts a four-tier model of the hierarchy of states in the international system to represent the operating environment of small states. First, one must define a first-tier state. The first-tier state is the leading pole in a unipolar world order. Under a unipolar international system, there should realistically only be one first-tier state – as explained earlier the United States holds this position. ‘Second-tier’ major powers, as they have come to be recognized in academic literature, are “states that possess the actual or potential capabilities to engage in balance-of-power coalition building against the United States.”<sup>18</sup> These capabilities include robust economies, extensive international participation, significant military capabilities, and nuclear weapon capabilities or potential. States included in this list are China, Russia, France, the United Kingdom,

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<sup>17</sup> Jervis, *The Remaking of a Unipolar World*, 17.

<sup>18</sup> This precise phrasing is by T.V Paul in “Soft Balancing in the Age of U.S. Primacy,” however, it corresponds with Pape’s and others’ understanding of second-tier powers.

Germany, India, and Japan.<sup>19</sup> Third-tier states represent those states not capable of engaging in traditional balancing techniques (such as militarily and economically) against the first tier state; yet, these states still actively participate in the international system.<sup>20</sup> Fourth-tier states represent those states that are weak and failing.

The focus of this thesis is on third-tier states – specifically those, in particular Venezuela, that sit on the periphery of U.S. good graces. Third-tier states cannot hope to challenge the United States utilizing traditional hard balancing. This thesis argues that third-tier states have different threat perceptions than second-tier states that are more attuned to the actions of the first-tier state. Whereas second-tier states may fear unilateralism as destabilizing, third-tier states fear it on a more national and concrete level. Therefore, they are more likely to seek new ways to challenge the unilateral international order on defensive grounds. The literature on soft balancing and soft power has largely ignored the utilization of these strategies by third states. This paper seeks to fill the void in the academic literature by demonstrating that certain small states are engaging in soft balancing strategies and building soft power in an effort to guard against U.S. unilateral initiatives.

## **1. Small State Rational Response**

Small states should be seen as rational actors in the realist sense. There are two key assumptions about states within the study of international relations that must be understood when explaining the rational actions of small, third-tier states. First, “states are unitary actors who, at a minimum, seek their own preservation and, at a maximum, drive for universal domination.”<sup>21</sup> Second, states seek sensible ways to use means available in order to achieve the ends in view.<sup>22</sup> If major second-tier states are worried

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<sup>19</sup> Germany and Japan are not nuclear states; however, their industrial and economic base would allow for rapid development and hence nuclear potential.

<sup>20</sup> Robert Rothstein defined a “Small Power” as a “[state] which recognizes that it can not obtain security primarily by use of its own capabilities, and that it must rely fundamentally on the aid of other states, institutions, processes, or developments to do so.” See *Alliances and Small Powers*, (NY: Columbia University Press, 1968), 29.

<sup>21</sup> Waltz, *The Theory of International Politics*, 118.

<sup>22</sup> Ibid.

about the unilateralism and interventionist tendencies of U.S. foreign policy, to what magnitude should small states be concerned? Small states are a much easier targets.

Small states whose ideologies do not mesh with U.S. expectations are attractive targets for U.S. unilateral action for several reasons. First, small states would appear to have significantly less influence in the international arena in order to diplomatically deter U.S. intervention. Second, small states cannot hope to restrain U.S. military might on the battlefield. As stated by T.V. Paul, second-tier major powers “do not fear losing their sovereignty and existential security to the reigning hegemon.”<sup>23</sup> Small states cannot afford to assume this level of safety under the current international regime led by a unilateral U.S. The current affairs in Venezuela under the tutelage of President Hugo Chavez provide an excellent case study in which to demonstrate this predicament.

#### **D. COVERT CHALLENGES: SOFT BALANCING & SOFT POWER**

##### **1. Balance of Power Theory**

As one of the core concepts in international relations, balance of power theory remains somewhat ambiguous, therefore applicability to real world scenarios is difficult. Encapsulating the perplexity surrounding balance of power, Jack S. Levy notes the diversity of scholarly assumptions concerning the theory, “Some say a balance of power helps maintain the peace; others say it contributes to the onset of war; still others claim that the theory makes no determinant predictions about war and peace at all. A scholar may use the balance of power concept to mean several different things, even in a single book.”<sup>24</sup> Despite its problems, balance of power theory is still useful for explaining the behavior of states including small powers. This thesis adopts the following assumption of balance of power theory as stated by Levy, “that states act rationally to maximize their

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<sup>23</sup> Paul, *Soft Balancing in the Age of U.S. Primacy*, 47.

<sup>24</sup> Jack S. Levy, "What do Great Powers Balance Against and when?" In *Balance of Power: Theory and Practice in the 21st Century*, eds. T. V. Paul, James J. Wirtz and Michel Fortmann (Stanford, CA: Stanford University Press, 2004), 29. Kenneth Waltz explains the perplexity of balance of power theory in Waltz, *Theory of International Politics*, 117.



security or power in anarchic systems without a higher authority to regulate disputes.”<sup>25</sup> The goal of avoiding hegemony in the international system is key to the concept of state security, when studying small state actions.

In traditional balance of power theory, states will choose to either balance or bandwagon, or free ride.<sup>26</sup> Up until the end of the Cold War, efforts to create balance in the international system largely constituted military means, intended to increase the power or threat of power of one state relative to another. This process was epitomized in the military buildups of the United States and U.S.S.R. Their efforts included raising their military budgets, strengthening their military power relative to the perceived threat of the other, and arming small power proxies. In the bipolar international system of the Cold War, other large states took similar paths. These methods included joining coalitions with other states whose combined strength attempts to balance that of the aggressor. Ultimately, states allied in opposition to the principal source of their perceived threats. This sort of balancing is traditionally known as *hard balancing*.

For weaker states, traditional hard balancing via military means is not an option unless they have a superpower ally.<sup>27</sup> Nevertheless, though a small or weaker state is unable to hard balance against a perceived threat, there may still be another option available in a relatively new concept – soft balancing. The strategic utility of soft-balancing lies within the concept of power. The resources for power have moved beyond the military realm where measurement is fairly easy – simply count the number of soldiers and tanks. As Keohane and Nye noted, “Power can be thought of as the ability of an actor to get others to do something they otherwise would not do. Power can also be

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<sup>25</sup> Levy, *What do Great Powers Balance Against and when?*, 34.

<sup>26</sup> The nuances of balance of power theory have been expounded upon by many academics. Here the author draws mainly from Waltz’s well-known, *Theory of International Politics*, 251.

<sup>27</sup> This seems a logical conclusion and has been argued by many scholars. See, Robert Pape “Soft Balancing Against the United States,” *International Security* 30, no. 1 (2005): 7-45, [http://muse.jhu.edu/journals/international\\_security/v030/30.1pape.html](http://muse.jhu.edu/journals/international_security/v030/30.1pape.html) (accessed July 15, 2007). and T. V. Paul, James J. Wirtz and Michel Fortmann, eds., *Balance of Power: Theory and Practice in the 21st Century* (Stanford, California: Stanford University Press, 2004).; T. V. Paul, “Soft Balancing in the Age of U.S. Primacy,” *International Security* 30, no. 1 (2005): 46-71, [http://muse.jhu.edu/journals/international\\_security/v030/30.1paul.html](http://muse.jhu.edu/journals/international_security/v030/30.1paul.html).

conceived in terms of control over outcomes.”<sup>28</sup> Understanding this aspect of power opens the floor for the discussion of methods for challenging preponderant power.

## **2. Soft Balancing**

Traditional balance of power theorists maintain that “sustained hegemonies rarely if ever arise in multi-state systems, and a balancing coalition will form against any state that threatens to gain a position of hegemony that would enable it to impose its will on other states.”<sup>29</sup> However, in the current international system, traditional balancing behavior has not materialized. T.V. Paul argues that “second-tier major powers such as China, France, Germany, India, and Russia have mostly abandoned traditional ‘hard balancing’ ...because they do not fear losing their sovereignty and existential security to the reigning hegemon.”<sup>30</sup> Nevertheless, Paul asserts that “increasing unilateralism of the United States” has raised the concerns of these second-tier states. This concern has led to another type of balancing behavior called “soft balancing.”

So what is “soft balancing”? T.V. Paul defines it as state activity “which involves the formation of limited diplomatic coalitions or ententes, especially at the United Nations, with the implicit threat of upgrading their alliances if the United States goes beyond its stated goals.”<sup>31</sup> Under this definition, soft balancing encompasses two main components, diplomatic and economic. Robert Pape expounds on this definition. He defines soft balancing as “actions that do not directly challenge U.S. military preponderance but that use nonmilitary tools to delay, frustrate, and undermine aggressive unilateral U.S. military policies.”<sup>32</sup> For both Pape and Paul, these “nonmilitary tools” include international institutions, economic statecraft, and diplomatic arrangements. Paul sets three conditions under which soft-balancing is likely to occur: First, “the hegemon’s power position and military behavior are of growing concern but

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<sup>28</sup> Robert O. Keohane and Joseph S. Nye, *Power and Interdependence : World Politics in Transition* (Boston: Little, Brown, 1977), 11.

<sup>29</sup> Levy, *What do Great Powers Balance Against and when?*, 35.

<sup>30</sup> Paul, *Soft Balancing in the Age of U.S. Primacy*, 47.

<sup>31</sup> *Ibid.*, 47.

<sup>32</sup> Pape, *Soft Balancing Against the United States*, 10.

do not yet pose a serious challenge to the sovereignty of second-tier powers”; Second, “the dominant state is a major source of public goods in both the economic and security areas that can not simply be replaced”; Third, “the dominant state cannot easily retaliate either because the balancing efforts of others are not overt[ly] [threatening].”<sup>33</sup> The United States has set these three conditions in motion; therefore, soft balancing has risen as the balancing behavior of second-tier states.

According to Pape, “the international image of the United States as a benign superpower is declining, particularly with regard to the aspects that are likely to erode its relative immunity to balance of power dynamics.”<sup>34</sup> Both Pape and Paul agree with the scholars of unipolarity that aggressive unilateral action by the United States in the post 9/11 era has heightened the tensions of second-tier states toward the United States. The focus on second-tier states misses a very important aspect of international relations because it encompasses only a small number of states in the world. Small states that fall outside the academic focus are not less likely to attempt soft balancing than the larger powers. In fact, this thesis argues that they are more likely due to the greater threat that U.S. unilateral initiatives pose to small states. Intrinsic to soft balancing yet separate conceptually is soft power. The next section defines soft power and explains its applicability to third-tier challenges to U.S. preponderance.

### **3. Soft Power**

The traditional method for states to secure their interests abroad has been through hard power tactics that utilize superior military force and traditional “carrot and stick” applications. As the international system moved toward unipolarity at the end of the Cold War, the use of hard power tactics by states, such as the threat of military force, as means to an end became less likely. Joseph Nye contends that hard means have been replaced by softer tactics girded by ‘soft power’. Nye first developed the concept of ‘soft power’ in his 1990 book, *Bound to Lead*, and then further developed it in his 2004 book, *Soft Power: The Means to Success in World Politics*.

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<sup>33</sup> Paul, *Soft Balancing in the Age of U.S. Primacy*, 59.

<sup>34</sup> Pape, *Soft Balancing Against the United States*, 35.

So what is ‘soft power’? Nye defines soft power as “the ability to get what you want through attraction rather than coercion or payments.”<sup>35</sup> It is the ability to shape the preferences of others by presenting your culture, political ideals, and policies as legitimate ends in and of themselves. The currency of soft power rests not in military or economic coercion, but in “an attraction to shared values and the justness and duty of contributing to the achievement of those values.”<sup>36</sup> According to Nye, soft power behavior is exhibited through agenda setting, attraction through culture and political ideals, and co-optation. The resources to exert soft power are found both domestically and internationally. Domestically, a state draws on the attractiveness of its values, culture, and policies. Internationally, states seek to set the agendas in international institutions that serve their ends. When domestic and international resources are combined, states seek to co-opt a “coalition of the willing” that will help it to reach its goals.

What does soft power mean for small, third-tier states? Do small states possess enough of the currency of soft power to effectively leverage it against U.S. preponderance? Where are the current examples of small state soft power? These questions all serve to guide the thesis research. In order to answer them, a case study of Venezuela, or rather Hugo Chavez’s current international anti-American endeavor is explored.

## **E. THE REGIONAL CONTEXT**

### **1. The U.S. and Latin American Relationship**

The colorful historical relationship between the United States and its neighbors to the South is one of varying degrees of cooperation and covert military intervention. It would be easy to claim that the strained relationship between the northern and southern American states has its roots in what is referred to as the Monroe Doctrine. However,

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<sup>35</sup> Nye, Jr., Joseph S. *Soft Power: The Means to Success in World Politics*. (New York, NY: Public Affairs, 2004). x.

<sup>36</sup> Ibid, 7.

this broad accusation would be inaccurate, for the Monroe Doctrine sought to secure the sovereign rights of all states in the Western Hemisphere. One might conclude that sovereignty was the bed rock of the doctrine that supported U.S. interests in the region..

Concerned about European intervention in the region, the Monroe Doctrine prepared in 1823 stated among other things that, “the American continents, by the free and independent condition which they have assumed, and maintain, are henceforth not to be considered subject to future colonization by any European powers.”<sup>37</sup> This statement, along with the “Olvey fiat” of 1890s, that proclaimed U.S. sovereignty over all of Latin America, sought to legitimize U.S. interference in Latin America. The full implications of these statements were clarified by President Theodore Roosevelt in 1904 who declared that Latin-American states must maintain democratic order outside of European influence otherwise the United States would intervene itself. Known as the Roosevelt Corollary, this policy of U.S. intervention was applied in the Dominican Republic, Haiti, and Nicaragua. Latin American states widely viewed the Monroe Doctrine as an expression of Yankee imperialism.<sup>38</sup> The idea of American Imperialism would assume that Washington pursued most of its interests unilaterally; however, this was not the case. Atkins contends that, “the United States pursued many of its region-wide Latin American policies through the multilateral institutions of the Inter-American System.”<sup>39</sup>

The Inter-American System was meant to encourage institutionalized, multilateral cooperation among the American states through multiple organizations for law, peace, security, and national well-being. Collectively, these organizations became what are known as the Inter-American System of multilateral institutions in the 1920s.<sup>40</sup> Beginning in 1889, the Inter-American System developed seven organizational principles: (1) codification of international and inter-American law; (2) nonintervention and sovereign equality; (3) peace and security; (4) representative democracy and human

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<sup>37</sup> Martin, Michael R. and Gabriel H. Lovett, *Encyclopedia of Latin-American History*, (New York: The Bobbs-Merrill Company, Inc., 1968), 222.

<sup>38</sup> Martin, Michael R. and Gabriel H. Lovett, *Encyclopedia of Latin-American History*.

<sup>39</sup> Atkins, G. Pope, *Latin America and the Caribbean in the International System*. (Boulder, CO: Westview Press, 1999), 208.

<sup>40</sup> Ibid.

rights; (5) economic cooperation and development; (6) opposition to the drug traffic; and (7) environmental protection.<sup>41</sup> The Inter-American System, as it is known today, principally consists of the Organization of American States (OAS), the Inter-American Development Bank (IADB), and the Inter-American Treaty of Reciprocal Assistance regime. The roots of the Inter-American System are found within the Pan American movement.

For Latin Americans, the Pan-American movement represented the ideals championed by Simon Bolivar, who helped liberate many Latin American countries from Spanish colonialism. Established in 1890 and headquartered in Washington, the International Union of American States, also called the Pan American Union, created the multilateral foundation that the OAS would be built upon. Critics may claim that the Pan American Union was just the first in a long line of organizations created by the United States to exert its influence in the hemisphere. However, the original members of the PAU insisted on adopting a nonintervention theme to discourage unilateral action by any OAS member in hemispheric affairs.<sup>42</sup>

The Cold War changed the way that the U.S. dealt with Latin America. Fearful of the spread of Communism, Washington adopted an interventionist approach. U.S. policy toward Latin America was characterized by an acceptance of authoritarian rule as long as it resisted Communism, even turning a blind eye toward human rights abuses.<sup>43</sup> When the Cold War ended in 1991, Washington assumed a more aggressive posture toward fully democratizing the Western hemisphere that had begun in the 1980s. Struggling governments were given enormous loans by U.S. banks that they could not repay. In the ensuing financial crisis, strict monetary guidelines were imposed by the IMF that tightened the belts of almost all Latin Americans. These struggling economies, coupled with rampant corruption, did nothing to support the growth of democracy in the region.

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<sup>41</sup> Atkins, *Latin American and the Caribbean*, 222.

<sup>42</sup> William R. Slomanson, *Fundamentals of International Law, Fifth Edition*, (U.S.: Thomson / Wadsworth, 2007), 170.

<sup>43</sup> For an in-depth account on U.S. influence during the Cold War, see: James D. Cockcroft, *Latin America: History, Politics, and U.S. Policy*. (Chicago, IL: Nelson-Hall Publishers, 1998).

It was under these conditions in Venezuela that Hugo Chavez, the former military officer and failed coup leader, came to power in 1999.

## **F. THE VENEZUELAN CONTEXT**

### **1. Understanding Chavismo and Venezuelan Democracy**

In 1999, Hugo Chavez won the presidency through enormous popular support, garnered through his nationalist, populist rhetoric that promised a ‘Bolivarian revolution’ that guaranteed to rewrite the Constitution and restructure state institutions while rejecting neo-liberalism. Taking office in February 1999, he immediately began to make good on his promises for change. In July 1999, the new 131 member Constituent Assembly was established, of which 121 were held by supporters of Chavez. By November, the Constituent Assembly passed a new constitution. The passing of the Bolivarian Constitution introduced radical changes to the institutional framework of the Venezuelan government. The Constitution introduced a renewable six-year term for the President, replaced the bicameral legislature (which Chavez saw as inefficient and unproductive) with a 165-seat unicameral chamber (National Assembly), and abolished the Supreme Court in favor of a Supreme Tribunal of Justice.<sup>44</sup> The democratic system of Venezuela had shed its representative coat in favor of a more direct style of democracy.

The current democratic Bolivarian system of democracy that exists in Venezuela is viewed as a weaker version than that established by the Pact of Punto Fijo in 1958 by many observers. The changes implemented by Chavez, under the auspices of the new National Assembly, serve his own agenda. Hugo Chavez conveyed his succinct definition of democracy to Richard Gott in an interview for his book; “What has been called the democratic system in Venezuela has not differed much in recent years from what came before...Everything has basically remained the same; it’s been the same system of domination with a different face, whether it’s that of General Gomez or of Doctor Rafael

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<sup>44</sup> West, Jacqueline ed. “Venezuela,” *South America, Central America and the Caribbean 2005* 13<sup>th</sup> ed. (NY: Europa Publications, 2005), 866.

Caldera.”<sup>45</sup> Hugo Chavez knows what type of governance he wants and he has made great strides in proclaiming to the world those ambitions. For him, the Bolivarian revolution is ongoing, requiring changes to all aspects of government including the role of the military.

## **2. Civil Military Relations in Venezuela**

The role of the military and its relationship with President Chavez is especially important for understanding Venezuelan foreign policy. It also highlights illuminates the criticism from Washington directed at Chavez’s regime. Since 1999, Chavez has used the military to sustain his power by expanding the jurisdiction of the armed forces.<sup>46</sup> Consequently, the military has become pervasive in all aspects of politics; but this current influence of the military has not always been the case in Venezuela.

From the advent of democracy in Venezuela in the 1960s, the military was developed, modernized and professionalized gradually over the next four decades. Many considered Venezuelan democracy to be consolidated up until the attempted coup of 1992 when disgruntled officers unhappy with government corruption and improprieties attempted to change the system. Though Chavez and his Bolivarian Revolutionary movement were unsuccessful in 1992, their efforts sowed the seeds for success through more peaceful democratic means in 1998.<sup>47</sup> Since Chavez has come to power, he has made great strides in blurring the lines between civilian and military roles. Questions emerge concerning President Chavez’s overt politicization of the Armed Forces. Is the fulfillment of traditional civilian roles by military officers an example of cronyism and appeasement; or are they a direct response to fears of international subversion? Alternatively, is it simply a by product of nationalistic Bolivarian democracy? A brief explanation of the status of civil military relations provides a broader context within

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<sup>45</sup> Chavez, Hugo. Interview by Richard Gott, *In the Shadow of the Liberator*, 34.

<sup>46</sup> For an in-depth study into civil-military relations in Venezuela, see Harold A. Trinkunas, *Crafting Civilian Control of the Military in Venezuela: A comparative perspective* (Chapel Hill, NC: The University of North Carolina Press, 2005).

<sup>47</sup> Canache, Damarys, “From Bullets to Ballots: The emergence of Popular Support for Hugo Chavez,” *Latin American Politics and Society* 44, no. 1 (Spring 2002). <http://www.jstor.org/> (accessed November 22, 2006).



which the reader can grasp the extent to which Chavez's influence permeates Venezuelan government while undermining established democratic norms.

In order to get a complete picture of the state of civil-military relations in Venezuela it is important to turn to the experts. Harold Trinkunas provides a summary of Chavez's agenda for the military in three stages: 1) Chavez has relied heavily on active and retired military officers to fill key cabinet positions and he has directly influenced officer promotions and assignments; 2) he reoriented military roles and missions from national defense to internal security and development; 3) and he provided a legal basis for military participation in civilian affairs through the new Bolivarian constitution of 1999.<sup>48</sup> All these measures, plus the new right to vote granted to soldiers in the 1999 constitution, ensured increased politicization of the military. Trinkunas explains this breakdown of institutional control of the military as a calculated step by Chavez; "The expanded jurisdiction of the armed forces is only a reflection of the elected leadership's efforts to secure military support for its political agenda, rather than the result of an internal desire for role expansion by the officer corps."<sup>49</sup> The result of this institutional breakdown is the expansion of military influence across all four civil-military jurisdictional boundaries outlined by Trinkunas: external defense, internal security, public policy and state leadership.<sup>50</sup> By blurring the boundaries between civilian and military roles in government, and strengthening ties with the military, Chavez's control is strengthened overall. This unbalanced level of power in favor of the executive is a key source of United States' criticism of the Chavez regime.

In essence, President Chavez has ensured military participation in virtually all aspects of government. This decline in accepted boundaries for democratic civil-military relations appears not to be rooted in any Bolivarian ideals but rather an attempt by Chavez to build a safety net via the military. This plan has seemed to backfire in regards to the events of 11 April 2002, when senior military leaders briefly deposed Chavez. However, civilian and military supporters were able to reinstate Chavez. The point is that

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<sup>48</sup> Trinkunas, *Crafting Civilian Control of the Military in Venezuela*, 210.

<sup>49</sup> Ibid, 207.

<sup>50</sup> Ibid, 232.

Chavez has taken great measures to undermine democratic civil-military relations in Venezuela with no other goal than to secure his presidency and promote his control over the rest of the public administration.<sup>51</sup> The decline of traditional democratic norms in Venezuela is important to understand, because it underscores the criticism by Washington of Chavez's regime, fuelling the negative discourse between the two countries.

### **3. The U.S. & Venezuelan Relationship**

So why focus on Venezuela? The answer lies in the rich history between Venezuela and the United States and the dramatic change from tacit alliance to confrontation. Once a guiding light for democracy in Latin America, Venezuela entered the twenty-first century starkly different from the one envisioned by the signers of the Pact of Punto Fijo in 1958. The Pact of Punto Fijo was an agreement between the two dominant political parties in Venezuela and the military to ensure that democracy would be defended and authoritarianism eradicated. Michael Coppedge noted that, "For the first two decades of the [democratic] regime, the prevailing attitude toward Venezuelan democracy was pride at home and admiration abroad. ...U.S. observers held up Venezuela as a democratic (and capitalist) model for the rest of Latin America..."<sup>52</sup> At a time when Venezuelans could benefit from cooperation and assistance from the big power players in the region, the current leader, President Chavez, chose a different path; a path pioneered by the Venezuelan liberator, Simon Bolivar centuries before. Steve Ellner notes, "Venezuela's President Hugo Chavez is the first elected Latin American head of state since Alan Garcia to defy the hegemonic powers of the 'new world order.' He has been the only president throughout the continent to pursue a truly independent foreign policy and preach far-reaching changes at home."<sup>53</sup> President Chavez's

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<sup>51</sup> David Pion-Berlin, Harold Trinkunas, "Democratization, Social Crisis and the Impact of Military Domestic Roles in Latin America," *Journal of Political and Military Sociology* 33, no. 1 (Summer 2005), 17.

<sup>52</sup> Coppedge, Michael. "Partidocracia and Reform in Comparative Perspective," in Jennifer McCoy, Andres Serbin, William C. Smith and Andres Stambouli, eds., *Venezuelan Democracy Under Stress*. (Boulder, CO: Lynne Rienner, 1995). p.174.

performance since he took office in 1999 has been colored by fiery rhetoric pointed at the hegemonic power in the hemisphere that elucidates his Bolivarian revolution for the country and the region.

Since the terrorist attacks on September 11, 2001, Chavez's rhetoric has further removed him from the good graces of the hemisphere's hegemonic power. Shortly after the United States commenced offensive operations against the Taliban and Al-Qaeda in Afghanistan, Chavez went on record as condemning the actions. The Venezuelan government refused to join in the Global War on Terrorism (GWOT) despite the commitment of its neighbors in the Organization of American States (OAS). The lack of commitment to the GWOT continued in 2003 when Chavez denounced the U.S. led Coalition invasion of Iraq. Further fractious measures taken by Chavez include ending all cooperative programs with the U.S. military in April 2005; ending cooperation with the Drug Enforcement Agency in July 2005; and openly supporting Iran's defense of its nuclear program.<sup>54</sup> These actions garnered ire in Washington and enticed mutual hostile rhetoric from the Bush administration. Chavez was condemned by Secretary of State Condoleezza Rice as a "negative force" in the region and labeled a "troublemaker" by Donald Rumsfeld.<sup>55</sup> Relations between the two nations continue to spiral downward despite their mutual reliance on oil exports and imports that bind their economies. In a recent address to the United Nations, President Chavez gave a fiery rebuke directed at the Bush administration, stating, "The government of the United States doesn't want peace. It wants to exploit its system of exploitation, of pillage, of hegemony through war."<sup>56</sup> President Chavez certainly perceives the United States as a threat.

Hugo Chavez has taken strides regionally and internationally to utilize the *soft* means that have been defined in this thesis. He has repeatedly lobbied for an increased

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<sup>53</sup> Ellner, Steve, "The 'Radical' Thesis on Globalization and the Case of Venezuela's Hugo Chavez," *Latin American Perspectives* 29, no.6 (2002):88, <http://www.jstor.org/> (accessed October 27, 2006).

<sup>54</sup> Jane's Defence Intelligence Centres, "Venezuela: External Affairs," <http://jmsa.janes.com/> (accessed on 30 November 2006).

<sup>55</sup> Ibid.

<sup>56</sup> President Hugo Chavez's (Venezuela) address to the United Nations, September 20, 2006, <http://www.commondreams.org/> (accessed 29 November 2006).

role in the United Nations, especially the Security Council; he has taken on a leadership role in OPEC; he has sought a leadership role in the OAS and Mercosur; and he has challenged U.S. hegemony from the podium at the United Nations. Furthermore, Chavez has denied over-flight privileges to the U.S. utilized to combat drug trafficking in the region. While none of these moves directly challenges U.S. military power, they do bring into question the policy initiatives of the United States. In these terms, it is apparent that Chavez has attempted to balance power in the hemisphere via *soft* means. Perhaps the ultimate question remains how effective these tactics will prove.

## **G. CHAPTER OUTLINE**

This first chapter presented four propositions. First, the world order is perceived as unipolar and the U.S. as the leading pole. Second, U.S. unilateralist policies, such as military preemption, have threatened to destabilize the international system. Third, third-tier states that do not conform to U.S. ideals are threatened by U.S. preponderance and will seek to secure their sovereignty and interests. Finally, because small states do not possess the resources to traditionally balance power through military means, they will utilize soft balancing tactics and cultivate soft power in the international system. Additionally, this chapter posited that that President Hugo Chavez is not just another Latin American “caudillo;” rather, he represents a charismatic leader of a “third-tier” country who feels threatened by U.S. hegemony and is taking action to mitigate this threat. The following chapters seek to develop these four propositions in order to answer the thesis question, how do small states challenge United States’ preponderance in the international system?

The second chapter lays the foundation for understanding Hugo Chavez, his evolution from a poor Venezuelan, his education in the military, revolutionary motivations, and finally his ascent to the Presidency. Understanding the man behind the rhetoric is imperative to understanding the motivating ideology for his Bolivarian Revolution for Venezuela, his threat perceptions, and the methods he uses to achieve his goals. The chapter furthers the discussion that President Hugo Chavez is not just another Latin American “caudillo.”

The third chapter develops the concept of soft balancing by small states. Continuing the Venezuelan case study, chapter three analyzes Hugo Chavez's use of the nonmilitary tools of soft balancing – international institutions, economic statecraft, and diplomatic arrangements – as defined by T.V. Paul and Robert Pape. Each of these soft balancing tools is explored with regards to Chavez's challenge to U.S. preponderance in the international system.

The fourth chapter assesses whether third-tier states are capable of leveraging soft power within a broader soft balancing strategy. Utilizing the properties of soft power as illustrated by Joseph Nye, this chapter evaluates third-tier soft power capabilities in regards to agenda setting efforts, powers of attraction, and co-option efforts. In order to accomplish this task, it must be determined whether third-tier states are able to influence the preferences of others. Again, Venezuela under the Chavez regime is utilized as the case study.

The concluding chapter presents final thoughts on the role of small states in a unipolar system, and implications, if any, for U.S. foreign policy. The final chapter asserts that engagement by the United States with small states is more important than ever under a unipolar system where U.S. preponderance appears threatening. In turn, this will require a reversal of trends in U.S. policy. Before these issues are addressed, understanding the political leader of one such small power by exploring his ideological foundations is essential to the broader discussion.

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## **II. HUGO CHAVEZ IN CONTEXT**

### **A. INTRODUCTION**

A key component of soft power ideology, especially when shared among many actors, and in turn these actors seek to cooperate in spreading this ideology. For the United States, ideas of democracy and freedom are key aspects of its soft power, and as such, many countries are attracted to it. For Hugo Chavez, his self-proclaimed ideology revolves around Bolivarian Socialism and general anti-American sentiment. As the last chapter showed, because of the nature of Venezuela's political system, its leaders' views are especially important. The focus of this chapter is to reveal the factors that have led Hugo Chavez to Bolivarian Socialism and to pursue a foreign policy defiant of American expectations; one that attempts to utilize soft power in a larger soft balancing strategy. In addition, power in the current Venezuelan regime is concentrated in the executive, making understanding the president's ideas and actions more important than ever. Thus, this chapter is designed to reveal the sources of the Bolivarian ideology, as interpreted by Chavez, and its implications for Venezuelan soft power.

To accomplish this task, the chapter explores the man and his political ideals. Additionally, knowing how Chavez's threat perceptions have come into being is imperative to understanding his challenge to United States' preponderance in the international system. Understanding his ideological roots and threat perceptions, and how these in turn dictate his foreign policy for Venezuela, underscores the urgency of the research, because they directly impact Venezuela's relationship with the United States.

### **B. THE EVOLUTION OF HUGO CHAVEZ**

In their definitive biography of Hugo Chavez, Cristina Marciano and Alberto Tyska note that "Washington has always tended to misread Latin America, and Hugo Chavez is no exception, for he is a rare specimen who eludes easy categorization."<sup>57</sup>

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<sup>57</sup> Marciano, Cristina, and Alberto Barrera Tyska. *Hugo Chavez: The Definitive Biography of Venezuela's Controversial President*. (NY: Random House, 2007), 204.

Chavez has been labeled everything from a revolutionary communist to a charismatic caudillo. Regardless of any typology, Chavez has made his mark in the region as a supporter of socialism. Therefore, an exploration of his rise from a mid-level military officer to the leader of the country is essential in understanding how Venezuela, once a model for democratic consolidation and economic success in the 1960s, finds its democratic foundations eroding. When did Chavez's political aspirations emerge? What political agenda did he seek to fulfill? These questions of motivation and inspiration all deserve their turn.

Many characterizations of Chavez have been put forth since 1998, when Chavez appeared as a serious contender in the presidential elections. Former President of Brazil Fernando Henrique Cardoso offers a very perceptive view of Chavez that has been cultivated from years of personal interaction with the man:

Chavez is in essence the reincarnation of the old *caudillo*. He is populist and salvationist. In this sense, he is very different from Lula [the current Brazilian President, Luiz Inacio Lula da Silva]. Lula is not interested in saving the world...[and] Lula has no revolutionary agenda for Brazil or the world. Chavez, in contrast, does have a revolutionary agenda. The problem is that he does not exactly know what it is. It exists only as a slogan called bolivarianism, which means nothing and serves only as a base to throw Venezuela's future out the window.<sup>58</sup>

Cardozo presents a pessimistic view of Chavez's agenda for Venezuela, which may not be altogether incorrect, but what is important for this study – not only for democracy and civil-military relations in the country, but its impact on foreign policy – is understanding why Chavez is a *revolutionary caudillo*. Where Chavez developed such aspirations is the subject of the next sections.

## **1. Childhood Socialist Influences**

Hugo Chavez Frias was born the son of a rural schoolteacher on 28 July 1954, in the small town of Sabaneta in western Venezuela. Notably, the Chavez family has a

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<sup>58</sup> Paul Sotereo quoting from an interview with former President Cardozo in Max G. Manwaring, *Venezuela's Hugo Chavez, Bolivarian Socialism, and Asymmetric Warfare*. U.S. Army War College: Strategic Studies Institute, 2005, 7.



legacy of political involvement. Several branches of the family tree include legendary military leaders who rose up against oppressive regimes and landed oligarchies during the nineteenth century. Some of the most famous are Colonel Pedro Perez Perez, a guerrilla leader in 1840, and General Pedro Perez Delgado who fought to remove the dictatorship of General Juan Vicente Gomez in 1914.<sup>59</sup> Chavez appears to have been born into a family of freedom fighters whose legacy stopped short with his parents. While being raised by his grandmother, Chavez came into contact with leftist figures that would have an important impact on his life.

As a young impressionable adolescent, Chavez listened daily to the teachings of “an old-school Communist,” named José Esteban Ruiz Guevara.<sup>60</sup> Under Ruiz Guevara’s communist tutelage, Chavez was exposed to many of fundamental readings, such as Jean Jacques Rousseau’s *The Social Contract*, Machiavelli’s *The Prince*, and the readings of Karl Marx.<sup>61</sup> Ruiz Guevara also insisted that Chavez, along with his two sons, be intimately familiar with Venezuelan history; making sure that he appreciated the role and importance of such figures as Ezequiel Zamora and Simon Bolivar. In their biography of Chavez, Marcano and Tyska note that “the Ruiz house became the magnetic center and intellectual reference point of his adolescence. He devoured all kinds of books, from westerns to things like *Los conceptos elementales del materialismo histórico* (The Elemental Concepts of Historical Materialism).<sup>62</sup> Though these influential communist influences did not entice Chavez to begin his military career as a Communist agent or foment a communist revolution – his true intentions were to continue his dream of playing baseball while escaping the impoverished countryside – they certainly laid the groundwork of his ideological foundation.<sup>63</sup>

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<sup>59</sup> Richard Gott provides further background of President Chavez’s family history in his book, *In the Shadow of the Liberator: Hugo Chavez and the transformation of Venezuela*. (NY: Verso, 2000).

<sup>60</sup> Marcano and Tyska. *Hugo Chavez*, 23-25.

<sup>61</sup> Though Chavez was exposed to these communist influences throughout his early life, he never became actively involved in the Venezuelan Communist Party (CPV), though he did form bonds with their leadership that would prove beneficial for his bid for the presidency. *Ibid.*, 24, 26.

<sup>62</sup> *Ibid.*, 27.

<sup>63</sup> Maracano and Tyszka, *Hugo Chavez*, 27-29.

## 2. The Military Man

In 1971 at the age of 17, Hugo Chavez entered the military academy in the capital city of Caracas. At that time, Rafael Caldera was president of Venezuela, serving his first of two nonconsecutive terms; as luck would have it, Chavez would succeed him in 1999. In the academy, Chavez studied hard, learning more about the heroes of Venezuela's history. He came to idealize Simon Bolivar, the nineteenth century liberator of Latin America. The academy served to reinforce these ideals; students "developed an almost mythical attachment to the teachings of Bolivar, and many shared a populist, egalitarian, and ultimately utilitarian attitude toward democracy."<sup>64</sup> Bolivar's dream of a united South America took seed in Chavez after a trip to Peru where he participated in an international celebration of the 150<sup>th</sup> anniversary of the battle of Ayacucho commemorating the liberation of Peru from Spain. In 1975, President Carlos Perez commissioned the young Chavez; handing him his sword at graduation from the military academy.<sup>65</sup> Ironically, a more knowledgeable and leftist Chavez would attempt to oust President Perez some sixteen years later.

Chavez's first duty station was in Barinas, where he was assigned to a counter-insurgency battalion charged with eliminating the communist left wing guerrillas known as Bandera Roja (Red Flag).<sup>66</sup> It was at this early stage in his military career fighting the radical left that Chavez began to take notice of the increasing levels of corruption rampant in both political and military ranks. In 1977, at the young age of 23 with only two years of military experience, Chavez began his leftist journey by forming his own armed group within the military. He called the movement *Ejercito de Liberacion del Pueblo de Venezuela* (ELPV), Liberation Army of the Venezuelan People. Their motives

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<sup>64</sup> Trinkunas, Harold A., "The Crisis in Venezuelan Civil-Military Relations: From Punto Fijo to the Fifth Republic," *Latin American Research Review* 37, no.1 (2002), p.46, <http://www.jstor.org/> (accessed on October 27, 2006).

<sup>65</sup> Richard Gott, *Hugo Chavez and the Bolivarian Revolution*, NY: Verso, 2005, 36.

<sup>66</sup> Polls conducted in May following the unsuccessful coup attempt in February 1992 showed the highest level of support in the country for a strong military government in Barinas at 20 percent. David J. Myers. "Perceptions of a Stressed Democracy: Inevitable Decay or Foundation for Rebirth," in Jennifer McCoy, Andres Serbin, William C. Smith and Andres Stambouli, eds., *Venezuelan Democracy Under Stress*. Boulder, CO: Lynne Rienner, 1995, 126.

were self-proclaimed simple. Chavez, in regards to this early effort, is quoted as saying, “It was very simple. We did it to prepare ourselves in case something should happen...we hadn’t the least idea at that time what we were going to do.”<sup>67</sup> Despite its simplicity, this early ‘Bolivarian’ endeavor served as a building block for a more effective movement. In 1978, despair over governmental corruption was increasing; however, Chavez remained in the military and was assigned to a tank battalion in Maracay, a city to the southwest of Caracas.

It was in 1980, after being assigned to the military academy in Caracas, that Chavez got his opportunity to cultivate his socialist ideology and he does so with the young malleable minds of the cadet corp. Chavez began to build the foundation of his socialist movement to challenge the government with the cadets at the academy. He knew that he would need the backing from the military leadership. The young cadets, many who come from outside the city and had become disenchanted with what democracy had to offer, soon welcomed Chavez, who quickly displayed a talent for teaching and public speaking.<sup>68</sup> All that was left was to formulate an organized and legitimate movement that stood for those values promoted by Simon Bolivar and which his ancestors had fought for in the 1800s and early 1900s.

### **3. Foundations of the Bolivarian Revolution**

In 1982, Chavez and a cadre of politically progressive officers formed a political cell within the Venezuelan Army known as the *Ejercito Bolivariano Revolucionario*, Bolivarian Revolutionary Army (EBR-200), also known later as the *Movimiento Bolivariano Revolucionario – 200* (MBR-200), the Bolivarian Revolutionary Movement.<sup>69</sup> This organization carried on the ideals of the original ELPV movement founded by the young lieutenant Chavez; but this time, the goals and objectives of the movement were well defined. These rebels represented a growing nationalist faction of

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<sup>67</sup> Quoted by Gabriel Garcia Marquez in Richard Gott, *In the Shadow of the Liberator: Hugo Chavez and the transformation of Venezuela*. (NY: Verso, 2000), 38.

<sup>68</sup> Gott, *Hugo Chavez and the Bolivarian Revolution*, 2005.

<sup>69</sup> Marcano and Tyska. *Hugo Chavez*: 49.

junior officers that were highly critical of the Punto Fijo system created in the 1958 Pact that had ushered in democracy.<sup>70</sup> Harold Trinkunas attributes the ability of the junior officers to form factions within the ranks without or in spite of the knowledge of senior officers to institutions designed by President Perez to create cleavages across the officer corp. While this served to inhibit coups d'état, they served to distance the senior high command from junior and mid level officers whose discontents were serving to bond them in an organized movement.<sup>71</sup>

By 1992, the membership of the MBR-200 reportedly totaled 10 percent of all army officers. While the movement was most certainly spearheaded by the military, Chavez understood the need for civilian participation within the movement and encouraged MBR-200 to conspire actively with other Venezuelan revolutionary commandants in order to build a “civilian-military insurgency.” These coconspirators included Douglas Bravo, the renowned guerilla leader of the *Partido de la Revolucion Venezolana*. This decision to include civilians in the movement proved disastrous for the attempted coup in 1992. Nevertheless, Chavez’s decision to include civilian actors points to the depth of his understanding of Venezuelan society. Chavez had studied the military revolution in Peru in the 1970s and knew that in order to garner the support and trust of the population and legitimize the MBR-200, the movement could not be solely a military undertaking.<sup>72</sup>

Chavez and the MBR-200 continue to build their socialist movement for nearly a decade by recruiting within the military and garnering limited civilian support throughout the country. Certain prerequisites were required before they could make a move against President Perez all the pieces had to be in place. Underpinning the whole operation was the need for Chavez and his comrades to be placed in charge of substantial combat forces. These operational and societal conditions finally developed in 1991.

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<sup>70</sup> West, Jacqueline ed. “Venezuela,” *South America, Central America and the Caribbean 2005 13<sup>th</sup> ed.* (NY: Europa Publications), 2005.

<sup>71</sup> Trinkunas, “The Crisis in Venezuelan Civil-Military Relations,” *ibid*, 53.

<sup>72</sup> Gott, Richard, *In the Shadow*, *ibid*, 61.

#### 4. 1992 Coup Attempt

Lieutenant Colonel Chavez was assigned as the commander of a parachute regiment based at Maracay in 1991. His assignment along with several co-conspirators stationed at key bases throughout Venezuela felled the final hurdle in the plans for the eventual coup; Chavez was now in charge of a combat unit. The political conditions were ripe for conflict. Venezuelan democracy was treading water amidst serious political and military instability during the months leading up to the failed coups.<sup>73</sup> Michael Coppedge argues that Venezuela's parties, specifically the Democratic Action (*Accion Democratica*, AD) and the Social Christian Party (*Partido Social Cristiano de Venezuela*, COPEI), misused Venezuela's democratic institutions and this misuse served to undermine democratic legitimacy in Venezuela. The party system in Venezuela during Chavez's rise through the ranks began to lose contact with the people, seeking to fulfill their own aspirations rather than working for the electorate. Political reform was imperative, but as Coppedge notes, "As many countries have discovered in the past, reforms often do more harm than good."<sup>74</sup> With this sentiment in mind, the Venezuelan government was ill prepared to handle the growing unrest. Chavez and his Bolivarian brothers favored drastic measures for reform and were waiting for the chance to capitalize on the right moment. Felipe Aguero emphasizes this discontent within the armed forces, in his work on civil-military relations in Venezuela. He contends, "The military rebellions of 1992 were a reflection of the impact on the armed forces of the deterioration of civil institutions, as well as the erosion of a specific crisis within the armed forces."<sup>75</sup> The crisis would come to a head on February 4, 1992.

Just after midnight on the February 4, LTC Chavez set in motion the ill-fated events that he had anticipated for nearly a decade. Units were set to attack the defense

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<sup>73</sup> Navarro, Juan Carlos. "In Search of the Lost Pact: Consensus Lost in the 1980s and 1990s," in Jennifer McCoy, Andres Serbin, William C. Smith and Andres Stambouli, eds., *Venezuelan Democracy Under Stress*. Boulder, (CO: Lynne Rienner, 1995).

<sup>74</sup> Coppedge, "Partidocracia and Reform," 174.

<sup>75</sup> Aguero, Felipe. "Crisis and Decay of Democracy in Venezuela: The Civil-Military Dimension" in Jennifer McCoy, Andres Serbin, William C. Smith and Andres Stambouli, eds., *Venezuelan Democracy Under Stress*. Boulder, (CO: Lynne Rienner, 1995), 216.

ministry, the airport inside the city and the Miraflores Palace, while LTC Chavez would set up a command and control site at the Military History Museum near the palace. Despite all their attempts at secrecy, the mission was doomed to failure when a defense ministry official suspicious of recent rumors floating through the ranks of an imminent coup attempt, warned President Perez before he could be captured at the airfield.<sup>76</sup> Additionally, the civilian component of the coup failed to show up. With the element of surprise gone, lack of civilian reinforcements, and Chavez's inability to set up command and control, the coup attempt was doomed.

However, it was through this ill-fated attempt that Hugo Chavez became a national hero. In an effort to save his comrades positioned throughout the country, Chavez was allowed to go on national television and appeal for their surrender. In doing so, he provided a face for the movement and showed a rational and humane side to the military's efforts. Venezuela's crisis was now exposed to the world and the government was forced to deal with the issues that pushed the military to such extreme measures. Eventually, Congress impeached President Perez in May 1993 under allegations of corruption and Rafael Caldera was elected the following January. In regards to the coup attempt, Caldera saw fit to blame the regime of President Perez in his opening speech:

A military coup, whatever form it takes, must be censured and condemned; yet it would be naïve to think that this was an event in which a handful of ambitious men threw themselves rashly into adventure, on their account, without being aware of the wider implications of their action. There was a set of circumstances here, a backcloth to these developments, which is the serious situation in which the country finds itself. If this situation is not dealt with, the future may yet hold unpleasant surprises for us all.<sup>77</sup>

In essence, Caldera let the military off the hook with this statement (and the subsequent pardoning of the coup instigators in 1995) by not condoning their actions but not faulting them altogether. This sympathetic attitude toward the participants of the coup served to legitimize their cause and decriminalize their actions. Though the coup was

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<sup>76</sup> Gott, *In the Shadow*, 66-79.

<sup>77</sup> From a speech by Caldera quoted by Richard Gott in, *In the Shadow*, 72.

unsuccessful, Chavez would come to capitalize on the popular support that emerged in the aftermath of these events to ascend to the presidency in 1999.

## **5. Ascendancy to the Presidency**

In February 1999, Hugo Chavez, the retired lieutenant colonel who led an unsuccessful military coup seven years earlier, stood in front of the Venezuelan Congress as the legitimately elected president of one of South America's oldest democracies.<sup>78</sup> The participation of ex-military men in electoral politics is nothing new to democracy in the United States, as George Washington, Eisenhower, and other's military service demonstrate. Likewise, Latin America has witnessed ex-military men vie for and win the presidency of democratic governments. For instance, Hugo Banzer, the ex-dictator of Bolivia (1971-78), won the presidency in 1997; General Jaime Salinas Sedo, who led an unsuccessful coup in Peru at the same time as Chavez, ran for the presidency in 2000.<sup>79</sup> However, there is no precedent for the election of a failed coup leader within a country that values democracy above all other forms of government.<sup>80</sup>

The electoral victory of Chavez was the result of a convergence of factors that existed in Venezuela throughout the 1990s. These factors include the deterioration of living standards, the perception of generalized political corruption, the decay of traditional parties, the construction of electoral alliances, and a dynamic electoral campaign.<sup>81</sup> Damarys Canache contends that these factors are not enough to explain why Venezuelans entrusted democratic governance to a man who had once attempted to overthrow the nation's democratic regime.<sup>82</sup> She proposes two hypotheses to explain how Chavez successfully built popular support from 1992 to 1998. First, Chavez successfully mobilized those Venezuelans who were democratically ambivalent due

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<sup>78</sup> Canache, Damarys, "From Bullets to Ballots: The Emergence of Popular Support for Hugo Chavez," *Latin American Politics and Society* 44, no.1 (Spring, 2002):70, <http://www.jstor.org/> (accessed on November 22, 2006),69.

<sup>79</sup> Ibid.

<sup>80</sup> This strong belief in democracy is demonstrated in chapter four.

<sup>81</sup> Much literature exists on the political and economic conditions prevailing in Venezuela during the time of the elections. See Michael Penfold-Becerra 2004, Damarys Canache, Dominguez and Shifter.

<sup>82</sup> Ibid.

largely to the negative factors prevalent throughout the country. Second, Chavez appealed to the majority of Venezuelans who still favored democracy by convincing them that he no longer was a threat to democracy. Through these efforts, Canache contends, “Chavez accomplished with ballots what he could not do with bullets.”<sup>83</sup> However, Chavez’s political achievements via his own efforts and those of the transformed MBR-200, do not account fully for his success.

Another argument explaining Chavez’s success in 1998 is rooted in events that occurred decades earlier. In his piece, “Federalism and Institutional Change in Venezuela,” Michael Penfold-Becerra argues that Chavez’s grand rise to the presidency was in essence achieved through the activation in 1989 of the federal framework within the 1961 constitution via its decentralizing pressure on political parties.<sup>84</sup> Penfold-Becerra’s piece centers on the decentralization of the government via federalism.<sup>85</sup> By activating the federal system in 1989, governors were no longer appointed by the executive; additionally the mayoral position was created. All these measures activated the dormant federal system found within the Constitution; consequentially decentralizing the government. With increased public disdain for the party system that came to bear in the failed 1992 coup, governors began to focus on the demands of the voters and not the party line. Penfold-Becerra illustrates in the case of Venezuela that federalism emphasizes key political dynamics between national, regional, and local political actors. The key dynamics of nonconcurrent elections for sub-national actors and the new reelection rules shocked the traditional relationships in the party system. Eventually, federalism was too much for the parties to handle and their ultimate fragmentation led to the victory of Chavez and the MVR in 1999.

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<sup>83</sup> Damarys Canache, “From Bullets to Ballots,” 86.

<sup>84</sup> Penfold-Becerra, Michael, “Federalism and Institutional Change in Venezuela,” in *Federalism and Democracy in Latin America*, ed. Edward L. Gibson (Baltimore: Johns Hopkins University Press, 2004).

<sup>85</sup> For an explanation of decentralization specific to Latin America, see Alfred P. Montero & David J. Samuels, “The Political Determinants of Decentralization in Latin America: Causes and Consequences,” in Montero and Samuels, eds. *Decentralization and Democracy in Latin America*, (Notre Dame, Indiana: University of Notre Dame Press, 2004).



Understanding how Hugo Chavez came to power is instrumental in understanding the greater implications for democracy in Venezuela. Chavez came to power amidst economic and political turmoil. Two of the strongest political parties in Latin America were crumbling, unable to garner any leverage against the quickly rising MVR due in part to their inability to decisively back anyone candidate. Furthermore, the people of Venezuela were fed up with what they saw as rampant corruption among the leadership while the population suffered the consequences of poor economic policy. In light of the social unrest and turmoil running throughout Venezuela, Canache reveals the underlying uncertainty behind Venezuela's democratic future; she notes, "What remains in question is whether [Chavez] turned to ballots because he truly has embraced democratic governance, or only because ballots represented his best hope to acquire power."<sup>86</sup> The focus now turns to democratic governance and the implications for democracy in Venezuela under the Chavez regime.

### **C. EVOLVING THREAT PERCEPTIONS**

The focus thus far in the chapter has been twofold; to understand the emergence of Hugo Chavez from failed coup leader to president, and to uncover how his Bolivarian ideology was developed and then implemented. Vital to the discussion of challenging U.S. preponderance is discussing why it is viewed as threatening. Thus, the focus now turns to the threat perceptions of President Chavez after he assumed office. Hugo Chavez clearly views United States hegemony in the region and subsequently the world as a threat to his government, openly stating this fact in many venues. Study of the current literature finds that Chavez perceives external threats to the sovereignty of Venezuela and Latin American states as a region in the past and present U.S. foreign policy.

As stated in the first chapter, U.S. foreign policy appears to be increasingly unilateral. Notably, unilateral policy has disadvantages intrinsic to its definition, primarily concerning the issue of legitimacy. Unilateral initiatives in Latin America can be easily construed as self-serving. In light of these facts, U.S. policy toward Venezuela has been focused on removing this stigma while still serving its interests in the hemisphere

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<sup>86</sup> Canache, Damarys, "From Bullets to Ballots," 86.

through a two-prong strategy to increase support to civil groups in Venezuela and to convince other countries that Chavez should be viewed as a troublemaker in the region.<sup>87</sup> While appearing to be multilateral in policy initiatives concerning its own hemisphere, the United States took extensive unilateral steps to topple Saddam Hussein's regime in Iraq in 2003, a small state that fits well in the third tier. This section attempts to shed light on Chavez's threat perceptions by looking at U.S. democratic aid efforts in Venezuela, its response to the brief 2002 coup, and its policy of preemption and preventive war.

### **1. Democratic Aid Efforts**

Washington provides millions of dollars of taxpayers' money to organizations that provide consultation on developing and strengthening democratic institutions throughout the world. These U.S. funded democracy projects include the National Endowment for Democracy (NED), Economic Support Funds (ESF), and the U.S. Agency for International Development (USAID).<sup>88</sup> Latin America has been a recipient of this congressionally funded aid for decades and Venezuela is no exception. The NED has operated in Venezuela since 1992, most recently providing \$902,000 for sixteen democracy projects.<sup>89</sup> Likewise, USAID, through its Office of Transition Initiatives, has provided over \$9 million through FY2005 and FY2006. The goals of both organizations are very similar; to strengthen democratic institutions, promoting space for dialogue, and encouraging citizens' participation in democratic processes.<sup>90</sup> However, since Hugo Chavez's assumption of command, United States' aid efforts have come under intense scrutiny amid allegations of meddling in Venezuela's democratic process and attempting to subvert the democratically elected leader. Chavez's distrust of democratic aid is echoed by Carlos Escarra, a constitutional lawyer and a leading legislator in the National Assembly, in a recent article in *The New York Times*, "Washington thinks it can buy

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<sup>87</sup> Sullivan, Mark P., "Venezuela: Political Conditions and U.S. Policy," *CRS Report for Congress* (November 15, 2006).

<sup>88</sup> *Ibid.*, 22.

<sup>89</sup> *Ibid.*

<sup>90</sup> *Ibid.*

regime change in Venezuela. This is an affront to our sovereignty as a nation that is not docile to Washington's interests."<sup>91</sup>

Critics of U.S. intervention in Venezuela abound; within the United States, none may be as vocal and critical as Eva Golinger, a Venezuelan-American attorney, and a specialist in international human rights and immigration law. Using hundreds of documents obtained through the Freedom of Information Act (FOIA), Golinger depicts how the U.S. government has attempted to overthrow the Chavez government since he took power.<sup>92</sup> Using historical precedents of CIA intervention in Iran, Guatemala, the Congo, Cuba, and Brazil, Golinger concludes that the NED is nothing more than a front for CIA activity. While this may scream of conspiracy theory, NED's problematic role is self-acknowledged.

In June 2006, the NED released a report for the Senate Committee on Foreign Relations titled *The Backlash Against Democracy Assistance*.<sup>93</sup> The title of the report is easily mistaken as an attempt to address the reasons for the "backlash" when in reality it only offers new efforts to press on in the face of increasing opposition. The focus is on "foreign government's efforts to impede democracy assistance – from legal constraints on NGOs to extra-legal forms of harassment," and how increased funding and positive spin can mitigate these impediments. Additionally, the US intervention in Iraq, largely viewed as illegitimate world wide, has emboldened those who criticize the concept of democracy promotion. In an article for the *Financial Times*, Thomas Carothers, head of democracy projects at the Carnegie Endowment for International Peace, stated, "The US must not confuse regime change with democracy promotion activities otherwise NGOs associated with, or funded by, the US would be contaminated."<sup>94</sup> This statement rings

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<sup>91</sup> Simon Romero, Jens Erik Gould contrib., "Venezuela Groups Get U.S. Aid Amid Meddling Charges," *New York Times*, November 9, 2006, <http://www.proquest.umi.com.libproxy.nps.navy.mil> (accessed on December 2, 2006).

<sup>92</sup> Golinger, Eva, *The Chavez Code: Cracking US Intervention in Venezuela* (Northampton, MA: Olive Branch Press, 2006).

<sup>93</sup> National Endowment for Democracy, "The Backlash against Democracy Assistance," A report prepared by the NED for Senator Richard G. Lugar, Chairman Committee on Foreign Relations, U.S. Senate, (June 8, 2006).

<sup>94</sup> Guy Dinmore, "Senate probes backlash over US agenda on democracy," *Financial Times* (June 9, 2006).

true for the events in 2002, when US involvement with the coup was perceived by Venezuelans to be connected to democracy promotion efforts.

## **2. 2002 Coup Attempt**

Many of President Chavez's threat perceptions may be attributed to the events that transpired on 11 April 2002. Relations between the senior military leaders and Chavez's administration had begun to deteriorate prior to 2002. Opponents of Chavez claimed he was seeking to install a Cuban-style communist regime in Venezuela.<sup>95</sup> The protests that emerged in the country in late 2001 and into 2002 led to general strikes throughout Venezuela; the increasing unrest in the country destabilized Chavez's hold on key institutions and he was unable to stop the spreading violence.<sup>96</sup> On the morning of the 12<sup>th</sup>, General Lucas Rincon Romero, the chief of the armed forces, announced on national television that Chavez had resigned at the request of the senior military leaders. However, the coup lasted only two days when the junta collapsed following a revolt by the presidential guard and mass popular demonstrations calling for the return of the democratically elected President.<sup>97</sup>

The break with the constitutional order in Venezuela was widely condemned by the international community, with the exception of Washington.<sup>98</sup> In reference to Washington's response to and involvement in the attempted coup, Carlos Romero states: "[the] measured reaction to those calamitous events suggests that Washington viewed relations with Caracas as too important to allow provocateurs of any persuasion to force precipitous intervention into Venezuela's internal political quarrels."<sup>99</sup> Despite the fact that the coup was led by the military and the rampant corruption that indicted President Perez, Washington's reaction to the coup in 2002 starkly contrasted its reaction to the

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<sup>95</sup> Jacqueline West, ed., "Venezuela," *South America, Central America, and the Caribbean 2005* 13<sup>th</sup> ed., (New York: Europa Publications, 2004.)

<sup>96</sup> Ibid.

<sup>97</sup> Ibid, 868.

<sup>98</sup> Ibid.

<sup>99</sup> Romero, Carlos A., "The United States and Venezuela: From a Special Relationship to Wary Neighbors," in *The Unraveling of Representative Democracy in Venezuela*, ed. Jennifer L. McCoy and David J. Myers (Baltimore, MD: John Hopkins University Press, 2004), 146.

coups led by the military in 1992. It is noted that in 1992, “U.S. Ambassador Michael Skol and his superiors in Washington announced their support for democracy and the Perez administration and threatened drastic sanctions against any military regime that took power in Venezuela.”<sup>100</sup> In 2002, it was the nations in Latin America that united in condemning the removal of a democratically elected president by other than official means. Beyond the many conspiracy theories concerning United States’ involvement in the actual coup, Washington’s relative muteness and subtle support of the opposition have led many to perceive official backing by the United States.<sup>101</sup> This perception was certainly not lost on Chavez, the consequences of which would be dire for relations between the two countries.

As the flow of American money to support democratic aid in Venezuela continued to increase after the 2002 coup, the threat perceptions of Chavez increased. The issue of democratic aid and sovereignty remain a point of contention between the two governments. In an article in the *New York Times*, Carlos Escarra, a constitutional lawyer and a leading legislator in the National Assembly emphasized the negative perceptions surrounding democratic aid; “Washington thinks it can buy regime change in Venezuela. This is an affront to our sovereignty as a nation that is not docile to Washington’s interests.”<sup>102</sup> These types of sentiments serve only to feed the threat perceptions of Chavez, whether they are justified or not.

### **3. Preventive War and Preemption**

The shift after September 11, 2001, in United States’ policy on the use of hostile force must be considered when talking about small state threat perceptions. Prior to the terrorist attacks of September 11, U.S. defense policy was geared more toward deterrence. The strength and force projection capability of the military, funded and

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<sup>100</sup> Trinkunas, “Crisis in Venezuelan Civil-Military Relations,” 58.

<sup>101</sup> There are many articles citing U.S. involvement in the 2002 coup; see: Duncan Campbell, “American Navy helped Venezuelan Coup,” *The Guardian* (29 April 2002), <http://www.guardian.co.uk/international/story/0,3604,706802,00.html> (Accessed 30 November 2006). In addition, Eva Golinger is referred to for intense study into the U.S. involvement, overtly and covertly.

<sup>102</sup> Simon Romero, “Venezuela Groups Get U.S. Aid Amid Meddling Charges” *The New York Times* (November 9, 2006), <http://proquest.umi.com/> (Accessed on December 2, 2006).

developed during the Cold War was a deterrent to hostile actors, specifically state actors. However, after the terrible experience on 9/11, the U.S. government seems to have adopted the policy of preemption and preventive war and discarded the doctrine of deterrence.<sup>103</sup> The invasion of Iraq clearly demonstrated the Bush administration's intent to take the fight to regimes hostile to the U.S., even before the aggressor openly demonstrated hostilities.<sup>104</sup>

The obvious affront to national sovereignty implicit to preemptive war policy can not be lost on President Chavez. One might even argue that preemptive war is not unique to the twenty-first century. Historical precedent exists to bolster Chavez's fears closer to home, especially in light of his burgeoning friendship with Fidel Castro. In April 1961, a group of some 1,500 Cuban exiles, recruited and trained by the CIA and Department of Defense, attempted an unsuccessful amphibious assault of Cuba.<sup>105</sup> The ill-fated Bay of Pigs and subsequent operations aimed at overthrowing Fidel Castro reinforce Chavez's fears that the United States will intervene militarily when Washington is at odds with certain regimes. The CIA involvement in Cuba and the rumored involvement in the 2002 coup further his fears of impending U.S. action. Further overt displays of military hegemony are found in U.S. military action in Panama, Nicaragua, and its continued presence in Columbia. President Chavez's fears of preemption by Washington, to preserve its hegemony and economic interests in the hemisphere, are evident in his September 2006, speech to the United Nations when he proclaimed: "The hegemonic pretensions of the American empire are placing at risk the very survival of the human

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<sup>103</sup> The traditional notions of U.S. deterrence, preemption and preventive war are explored by Wirtz, James J., James A. Russell in "U.S. Policy on Preventive War and Preemption," *The Nonproliferation Review* (Spring 2003): 113-123, <http://www.ccc.nps.navy.mil/people/biolinks/russell/wirtz-Russell.pdf> (accessed on December 11, 2006). They argue that the traditional view of deterrence is too simplistic, in that a doctrine of preemption and preventive war may actually strengthen deterrence.

<sup>104</sup> Though it could be argued that Saddam's regime had demonstrated hostile action in 1991, the pretext of Operation Iraqi Freedom was founded on the existence of weapons of mass destruction.

<sup>105</sup> Scheina, Robert L., *Latin America's Wars: The Age of the Professional Soldier, 1900-2001*, (Washington, D.C.: Brassey's Inc., 2003).

species...the American empire is doing all it can to consolidate its system of domination.”<sup>106</sup> When it comes to threat perceptions, statements like these leave little doubt of their origin.

#### **D. CONCLUSION**

Threat perceptions guide policy. The truth behind this statement is evident in the actions of the Bush administration in regards to Iraq. The perceived threat of weapons of mass destruction, one that has yet to be justified, proved strong enough to warrant a devastating preemptive war. In light of this, is it that far fetched to suppose that the threat perceptions of a second tier country, like Venezuela, would provide enough impetus to challenge the leading power in the hemisphere – non-militarily? Ellner points out that Chavez is convinced, along with many of his military supporters, “that with the end of the cold war, Washington would prefer to phase out the Latin American armed forces or convert them into police forces in charge of combating crime and keeping public order.”<sup>107</sup> These fears of deteriorating sovereignty may be fed by globalization, and the coercive foreign policy of Washington. Unfortunately for Chavez, the world economy is becoming increasingly global while privatization of international companies – such as oil and power – continues to prove folly. Furthermore, U.S. military hegemony will most likely stay the same for the fore seeable future. That leaves the only possible avenue of reconciliation within the realm of foreign policy. If Washington remains steadfast in condemning Chavez’s regime as illegitimate and nondemocratic while funneling millions into democratic program viewed by Chavez as clear threats to national sovereignty, they risk losing all access to the country.

If threat perceptions do guide policy, then what guides the threat perceptions? This chapter has proposed three variables that act on these perceptions: Chavez’s political development and understanding of Bolivarian socialism, a legacy of corruption under a democratic regime, and U.S. foreign policy toward Latin America and other small

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<sup>106</sup> Hugo Chavez, “Address to the United Nations General Assembly.”

<sup>107</sup> Ellner, “The ‘Radical’ Thesis,” 91.

powers. In relation to democracy, Bolivarian socialism and the unraveling of democracy leading up to the election in 1999 appears too have been sufficient in undermining the democratic system and institutions. The undermining of civil-military affairs does not appear directly related to any factor other than Chavez's own attempts securing a support base. The remaining three international variables appear to push Chavez into deepening his Bolivarian revolution. U.S. policy has given him the fodder for his anti-American rhetoric that seeks to convince Venezuelans that his version of democracy is the right one. So what does this mean for Venezuela's future?

In an article for *Foreign Affairs*, Kurt Weyland conveys a cynical view of Venezuela's future: "However long Chavez's populist experiment may end up lasting, it will take the country many years to recover from this disastrous experience."<sup>108</sup> As it stands today, Chavez's "populist experiment" will last another six years and possibly longer if he succeeds in removing all term limits for presidential re-election. After winning the December 3 election with an astounding 64% of the vote, Chavez declared that he would "deepen and extend the revolution," the endstate being "21<sup>st</sup> century socialism."<sup>109</sup> Chavez has taken measures to further his socialist vision by placing controls on prices, access to foreign exchange and the allocation of bank credit; and because the opposition boycotted the legislative election last year, he continues to control all branches of government.<sup>110</sup> The future for democracy looks grim which appears tied in part to Venezuela's main source of revenue – oil-exports. Hector E. Schamis furthers this viewpoint in his piece for the *Journal of Democracy*, "Chavez's rule represents an oil funded, twenty-first century version of patrimonial domination. Along with the vague populist oratory and nebulous socialist goals come clearly undemocratic methods."<sup>111</sup> Is it simply the petro-state that engenders a patrimonial system of domination like Chavez's Venezuela? The international factors introduced in this section provide another piece to

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<sup>108</sup> Weyland, Kurt, "Venezuela's Worsening Political Crisis," *foreignaffairs.org* (January, 2003), <http://www.foreignaffairs.org> (accessed on November 11, 2006).

<sup>109</sup> "Venezuela: Chavez victorious," *The Economist*, December 9, 2006, 44.

<sup>110</sup> Ibid.

<sup>111</sup> Schamis, Hector E., "Populism, Socialism, and Democratic Institutions," *Journal of Democracy* 17, no.4 (October 2006): 31.



the puzzle that is Chavez's stubborn hold on Venezuela. The next chapter evaluates Chavez's Bolivarian foreign policy in terms of soft balancing.

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### **III. SOFT BALANCING: CHAVEZ'S CROSS CULTURAL CHALLENGE**

#### **A. INTRODUCTION**

As stated in the first chapter, traditional hard balancing measures to counter preponderant power are not an option for small states like Venezuela. No matter how many refurbished Russian submarines, aircraft, or Kalashnikov rifles Chavez purchases, he cannot hope to thwart American interests in the region militarily. Neither is Chavez likely to form a coalition robust enough militarily to effectively challenge the United States outright. However, outside the realm of traditional hard balancing measures small states like Venezuela can use “softer” strategies to infringe on the foreign policy interests of the hegemon. The first “soft means” of challenging the United State’s preponderance discussed in this thesis is the strategy of soft balancing.

##### **1. The Logic of Soft Balancing and Alliance Building**

In essence, the logic of soft balancing stems from the logic of alliance building. The common thread is the need for security in a threatening environment. Two scholars of international politics writing during the Cold War period, Kenneth Waltz and Stephen Walt, illuminated the incentives for alliance formation – primarily security from a threatening state. Concerning international politics, Waltz states, “In the quest for security, alliances have to be made.” He highlights that, “Alliances are made by states that have some but not all of their interests in common. The common interest is ordinarily a negative one: fear of other states.”<sup>112</sup> Walt continues this discussion by asserting that states will join alliances when they view a state as increasingly threatening due to any combination of the following four factors: 1) aggregate power; 2) proximity; 3) defensive capability; and 4) offensive intentions.<sup>113</sup> Walt contends “the more

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<sup>112</sup> Waltz, *Theory of International Politics*, 166.

<sup>113</sup> Stephen Walt, “Alliance Formation and the Balance of World Power,” *International Security*, vol. 9, 4 (Spring 1985): 9, <http://links.jstor.org/sici?sici=0162-2889%28198521%299%3A4%3AAFATBO%3E2.0CO%3B2-K> (accessed 20 July 2007).

aggressive or expansionist a state appears, the more likely it is to trigger an opposing coalition.”<sup>114</sup> Ultimately, the logic of alliance building is that there is strength in numbers. While this is an oversimplification, alliance building helps in international venues, helps in economic statecraft, and strengthens the ability of small states to resist hegemonic pretensions. In this respect, the logic of alliance building directly correlates with the strategy of soft balancing.

Following T.V. Paul’s definition of soft balancing as activity “which involves the formation of limited diplomatic coalitions or ententes”<sup>115</sup> among small states, and Robert Pape’s understanding of the concept as “actions that do not directly challenge U.S. military preponderance but that use nonmilitary tools to delay, frustrate, and undermine aggressive unilateral U.S. military policies;” this chapter will present the “nonmilitary tools”<sup>116</sup> that Chavez has chosen to wield in his attempt to build opposition to American hegemony. Specifically, those tools are international institutions, economic statecraft, and diplomatic arrangements. This chapter reveals how Hugo Chavez uses the tools of soft balancing to challenge United States’ preponderance in the international system.

## **B. SOFT BALANCING VIA CHAVISMO**

This thesis opened with a quote taken from a speech delivered by President Hugo Chavez to the United Nations General Assembly in 2006. In his speech, characterized by fiery anti-Bush rhetoric, Chavez verbalizes the fears and apprehensions of small states concerning U.S. unilateralism. The most notable aspect of this verbal attack on American hegemony in the General Assembly was the warm reception it received from those nations in attendance. Skeptics contend that Chavez’s verbal assault is nothing more than hot air, a vain attempt to gain supporters for his cause. Yet, Chavez’s efforts at challenging the Western Hemisphere’s hegemon go beyond fiery rhetoric, and deserve more attention than Washington has yet to bestow. The United States lack of focus may be because Venezuela does not appear as threatening due to its lack of traditional hard

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<sup>114</sup> Walt, *Alliance Formation*, 13.

<sup>115</sup> Paul, *Soft Balancing in the Age of U.S. Primacy*, 47.

<sup>116</sup> Pape, *Soft Balancing Against the United States*, 10.

power resources, or because Chavez's *caudillo* leadership style is easily written off by analysts. Whatever the case, when scrutinized, Chavez's efforts at challenging the United States appear to grasp the main tenets of soft balancing.

## **1. International Institutions**

Since Hugo Chavez assumed the presidency of Venezuela in 1999, he has made concerted efforts to gain an influential role in regional and international affairs. In an article for *The Washington Post*, Michael Shifter explains Chavez's ambitions; "Venezuela was too small for [Chavez]. He wants to be a global leader who can shape the international agenda. This is sort of a shift to being involved in decision-making on very sensitive international and political affairs."<sup>117</sup> This effort to gain international influence was epitomized in Venezuela's effort to gain a two-year seat on the 15-member U.S. Security Council (UNSC) in late 2006.

Chavez has sent a mixed message concerning participation in international organizations such as the Organization of American States (OAS). Since the brief coup in 2002, Chavez adopted an antagonistic stance toward the regional organization; most recently attacking the OAS for challenging his right to shut down a television station in Venezuela that he claimed was undermining the government.<sup>118</sup> Chavez's chief complaint about the OAS seems to be that they are a puppet of Washington, and any agenda connected to Washington viewed as suspect. Even if Chavez views the OAS as a puppet organization, he still understands the power that it holds which is evident in his growing legacy of adversarial participation since 2001.

The Third Summit of the Americas involved the 34 member nations formulating an official document that sought to affirm the place of democracy in the hemisphere and guard against nondemocratic government action. The result was a 28 article document

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<sup>117</sup> Juan Forero, "Fiery Chavez Aims for a Global Role – Venezuela Seeks Security Council Seat," *The Washington Post*, September 23, 2006, <http://proquestcom/> (accessed June 10, 2007).

<sup>118</sup> Associated Press, "Chavez takes cool view toward OAS, says Latin America better off without World Bank," *International Herald Tribune*, April 29, 2007, <http://www.iht.com/articles/ap/2007/04/30/americ/LA-GEN-Venezuela-Leftist-Alternative.php> (accessed 29 October 2007).

titled the Inter-American Democratic Charter and was heralded as a groundbreaking work for setting guidelines concerning democratic governance in the hemisphere.<sup>119</sup> Chavez viewed the Democratic Charter as another opportunity for the United States to meddle in the affairs of Latin America when their form of democracy does not meet the expectations of Washington, and vigorously opposed it. For Chavez the Democratic Charter represented “U.S. efforts in the OAS to create mechanisms of preventive intervention whenever democracy was in jeopardy.”<sup>120</sup> Despite concerted efforts by Chavez to resist the Democratic Charter, he reluctantly signed the document at the urging of his Latin American neighbors. This incident marked the beginning of a strained relationship between Venezuela and the OAS.

Chavez again used the venue of the OAS in 2005 as an international institution to reframe the hemispheric debate away from US concerns and towards his own. One of the goals of the November 2005 Summit of the Americas was to come to an agreement on free trade in the region. For Washington, this meant reviving the Free-Trade Area of the Americas (FTAA).<sup>121</sup> Chavez successfully high jacked the agenda of the Summit by touting the FTAA “as an effort by the wealthier states in the hemisphere to exploit the poor.”<sup>122</sup> By vigorously opposing the FTAA within the Summit and simultaneously taking his anti-U.S. rhetoric to the people, he was able to undermine U.S. policy in Latin America.

After his apparent success in the OAS to obstruct the FTAA, Chavez sought to undermine U.S. interests beyond Latin America. In 2006, after his notorious address to the General Assembly, Chavez embarked on a worldwide campaign to gain a seat on the UNSC. Supported by fellow Venezuelan officials who viewed this campaign as necessary for the larger effort of stemming “American imperialism,” Chavez embarked

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<sup>119</sup> [http://www.oas.org/charter/docs/resolution1\\_en\\_p4.htm](http://www.oas.org/charter/docs/resolution1_en_p4.htm), (accessed 19 November 2007).

<sup>120</sup> Ellner, *The Radical Potential of Chavismo*, 22.

<sup>121</sup> Economist Intelligence Unit, “Latin America/USA Politics: Summit deadlocks on trade-UPDATE,” *EIU Views Wire*, (November 7, 2005), <http://www.proquest.com> (accessed 18 November 2007).

<sup>122</sup> Harold Trinkunas, “What is Really New about Venezuela’s Bolivarian Foreign Policy?” *Strategic Insights*, vol. V, 2 (February 2006).

on a worldwide tour to countries with lingering dislike or outright hatred of the U.S. that included Russia, Iran, Syria, China, Vietnam, and Belarus. *The Washington Post* reported that Chavez was successful in garnering support from permanent UNSC members Russia and China and would have been supported by the General Assembly.<sup>123</sup> Unfortunately for Chavez, his efforts did not come to fruition. Confronted by a vigorous campaign by the U.S. to thwart any attempt by Chavez at a UNSC seat, Venezuela was forced to withdraw its bid and support Panama.

In hindsight, Chavez's failure in gaining a UNSC seat can be attributed to two factors – a well financed effort by the U.S. to prevent it, and Chavez's own raucous rhetoric. Citing his fiery speech in the General Assembly, many diplomats feared that Chavez would turn the UN into a circus.<sup>124</sup> Nevertheless, despite Chavez's failure to gain a seat on the UNSC, his efforts demonstrated his belief in the power of international institutions and the legitimacy that serious participation would gain. Furthermore, the U.S. State Department's resolve in preventing Chavez, demonstrated Washington's fear of the power that Chavez would gain in such a role. There are certainly lessons to be learned by small states of the importance in international participation; the Venezuelan/UNSC case unfortunately highlights the difficulty of balancing great powers in the international arena.

Convincing Chavez that the OAS is a viable international organization that could limit American influence in Latin America could be a tough sell. However, additional efforts to soft balance preponderant power may be found in economic statecraft. And it is within the realm of economics that Chavez appears to be exerting the most effort.

## **2. Economic Statecraft**

The second component of soft balancing falls in the realm of economic statecraft. Succinctly stated, this component seeks to increase the cost of "business as usual" for the

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<sup>123</sup> Simon Romero, "Ending Fight for U.N. Seat, Guatemala and Venezuela Back Panama," *The Washington Post*, November 2, 2006, <http://proquest.umi.com/> (accessed June 10, 2007).

<sup>124</sup> Guy Dinmore and Mark Turner, "Big blow to Chavez as Panama takes vacant Security Council seat," *Financial Times*, November 3, 2006, <http://proquest.umi.com/> (accessed June 10, 2007).

hegemon. There are several ways to increase costs. A country might increase economic ties with countries currently sanctioned by the hegemon in an effort to negate the efforts of the hegemon. Another method would be to oppose a regional trade bloc led by the hegemon and influence other states to follow. Chavez has taken both routes in his effort to undermine U.S. hegemony. His fight to undermine the Free Trade Area of the Americas (FTAA) with his own trade bloc deserves serious consideration.

President Chavez opposes the planned FTAA, considering it as another attempt at control of Latin America by the United States, and views the labels of “Most Favored Nation” and “National Treatment” as threats to sovereignty to those countries that pursue other policies. In fact, he has stated his intention for Venezuela to withdraw from the Andean Free trade association because Columbia and Peru reached free trade agreements with the U.S., which he sees as undermining the motivations for the trade bloc. He has made similar claims about the Mercosur trade bloc, claiming that these multilateral associations “serve the business elites, the transnational companies but not the Indians, the blacks, the poor, the whites. [They don’t] serve our country.”<sup>125</sup> Chavez has proven his rhetoric to be more than hot air by providing an alternative for Latin America.

Chavez’s drive to provide a legitimate alternative to U.S. led trade blocs is evident in his proposal for his own alternative to the U.S. sponsored FTAA, the Bolivarian Alternative for the Americas (ALBA). While not clearly defined, the ALBA would be an aid network financed largely by Venezuelan oil profits. Already he has committed \$3 billion a year to support this initiative.<sup>126</sup> The Banco Comercio Exterior (Bancoex) summarizes ALBA as such: “ALBA appeals to the egalitarian principles of justice and equality that are innate in human beings, the well-being of the most disposed sectors of society, and a reinvigorated sense of solidarity toward the underdeveloped countries of the western hemisphere, so that with the required assistance, they can enter into trade negotiations on more favorable terms than has been the case under the dictates

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<sup>125</sup> Wilson, Peter, “Venezuela to leave Trade Bloc – Chavez blames pact made with 2 Countries, U.S.,” *Houston Chronicle* (20 April 2006).

<sup>126</sup> Johnson, Stephen, “Hugo Chavez, imperialist,” *The Heritage Foundation* (March 6, 2006), [www.heritage.org/Press/Commentary/ed030606a.cfm](http://www.heritage.org/Press/Commentary/ed030606a.cfm), (accessed 8 May, 2007).



of developed countries.”<sup>127</sup> By prioritizing food self-sufficiency, opposing intellectual property rights regimes, and denouncing liberalization, deregulation, and privatization, the ALBA pushes for solidarity with the economically weakest countries – all the while financed by Venezuelan oil profits.

Venezuela’s economy is supported by its enormous oil exports, and as such, its economic statecraft revolves around the oil trade. The fact that Venezuela is a top-ten producer of oil in the world places the country within a certain dynamic that has proven advantageous for Chavez.<sup>128</sup> Increases in world oil prices over the last few years have allowed Chavez to expand his Bolivarian Socialist initiatives through increased government social spending. Internationally, increased oil revenue has allowed him to expand commercial ties to other countries, while boosting his own profile.<sup>129</sup> The Venezuelan leader is directly responsible for this economic landfall.

In an effort to decrease its reliance on oil exports to the U.S., Chavez has taken a more active role in OPEC. When Chavez assumed power in 1999, the price per barrel of crude had spiraled downward to \$10.80. After successfully orchestrating in 2000 only the second OPEC summit since its inception, Chavez reinvigorated the oil cartel.<sup>130</sup> Chavez urged his fellow members to cut oil output, and by 2007 a floor of \$50 per barrel had been reached.<sup>131</sup> In taking a more active role in OPEC, Chavez was able to foster lasting and meaningful relationships with other countries in the Middle East outside the influence of Washington.

In August, 2006, Simon Romero reported for *The New York Times* that, “Venezuela has long cultivated ties with Middle Eastern governments, finding common ground in trying to keep oil prices high, but its recent engagement of Iran has become a

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<sup>127</sup> Summary of information on the ALBA published by the Banco the Comercio Exterior by Teresa Arreaza, “ALBA: Bolivarian Alternatives for Latin America and the Caribbean,” (30 January, 2004), <http://www.venezuelanalysis.com>, (accessed June 10, 2007).

<sup>128</sup> For in-depth statistics on Venezuela’s oil production capabilities and reserves, see: <http://www.eia.doe.gov/emeu/cabs/Venezuela/Oil.html>.

<sup>129</sup> Alvarez, Cesar J., “Venezuela’s Oil-Based Economy,” *Council on Foreign Relations*, [www.cfr.org/publication/12089/](http://www.cfr.org/publication/12089/) (Accessed on 13 March 2007).

<sup>130</sup> Christina Marcano and Alberto Tyska, *Hugo Chavez*, (NY: Random House, 2007): 164.

<sup>131</sup> “Glimpsing the bottom of the barrel,” *The Economist*, vol.382, 8514, (February 3-9, 2007): 38.

defining element in its effort to build an alliance to curb American influence in developing countries.”<sup>132</sup> Later that same year, a series of accords were signed by the two countries that include deals to develop oil fields, build factories, and setup a \$2 billion investment fund to finance these and other joint projects.<sup>133</sup> Chavez has strengthened economic ties with Iran beyond the oil sector with efforts to train teachers in Venezuela, produce manioc starch (food starch) for his new Middle Eastern ally, and various ventures throughout the commercial sector.<sup>134</sup>

Chavez has reached out to other countries that sit outside the “good graces” of Washington to reduce Venezuela’s dependency on the U.S. oil market. In the past year, Chavez has gained extensive ground in deepening relations with China and Iran. Venezuelan crude and petroleum product exports to China have increased over the past five years, expanding the diversification of its petroleum export destinations away from the United States.<sup>135</sup> In March, 2007, the *Economist Intelligence Unit* reported that “Mr. Chavez and Chinese Communist Party Politburo member Li Changchun signed six co-operation agreements, mostly in the energy sector, focused on joint-ventures to explore for new oil and gas deposits in both countries, and to extract, transport, store and refine these resources.”<sup>136</sup> By diversifying its oil markets and increasing its role in OPEC, Venezuela has increased the cost of U.S. retaliation.

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<sup>132</sup> Simon Romero, “Venezuela, Tired of U.S. Influence, Strengthens Its Relationship in the Middle East,” *The New York Times*, August 21, 2006, <http://proquest.umi.com/pqdweb?did=1101035401&sid=3&Fmt=3&clientId=11969&RQT=309&VName=PQD>, (accessed 23 October, 2007).

<sup>133</sup> Peter Wertheim, “Venezuela, Iran sign series of energy accords,” *Oil & Gas Journal* vol.104, 37 (2 October 2006), <http://proquest.umi.com/pqdweb?did=1149216101&sid=7&Fmt=3&clientId=11969&RQT=309&VName=PQD>, (accessed 23 October, 2007).

<sup>134</sup> Simon Romero, “Iranian President Visits Venezuela to Strengthen Ties,” *The New York Times*, January 14, 2007, <http://proquest.umi.com/pqdweb?did=1193932061&sid=4&Fmt=3&clientId=11969&RQT=309&VName=PQD>, (accessed 23 October, 2007).

<sup>135</sup> “Venezuelan Energy Data, Statistics and Analysis – Oil, Gas, Electricity, Coal,” *Energy Information Administration*.

<sup>136</sup> “Venezuela/China Politics: Charm Offensive,” *EIU ViewsWire*, (April 2, 2007), <http://proquest.umi.com/pqdweb?did=1264524951&sid=9&Fmt=3&clientId=11969&RQT=309&VName=PQD>, (accessed 25 October 2007).

### 3. Diplomatic Arrangements

The third component of soft balancing - diplomatic arrangements - builds upon the other two aspects of this strategy by capitalizing on the relationships fostered from participation within international institutions, and further solidified through economic statecraft. Significant diplomatic arrangements are imperative to building a successful soft balancing strategy because they are the building blocks for future alliances or ententes. Chavez came out of the gates in a sprint to ensure positive diplomatic relations with nations he saw as pivotal in undermining U.S. hegemony. This claim is supported by Gerver Torres, a former Venezuelan government minister, who stated in March 2005, that “[Chavez] is trying to bring together all the enemies of the United States. He believes the United States is the devil.”<sup>137</sup> Chavez himself understands the power in uniting many states against one, stating to al-Jazeera, “What can we do regarding the imperialist power of the United States? We have no choice but to unite.”<sup>138</sup> His efforts to unite against the United States have gained traction regionally and internationally.

Regionally, Chavez has sought to cement diplomatic relations with fellow socialists, such as his protégé, Evo Morales, in Bolivia, and his mentor in Cuba, Fidel Castro. During his campaign for President of Bolivia, Morales enjoyed strong economic support from his fellow leftist in Venezuela and has cemented relations with Chavez since coming to power. The two socialists are always ready to defend the actions of the other when attacked for their domestic policies. Chavez continues to foster diplomatic relations with leaders in Central America. His domestic and economic policies are being pursued in Ecuador, where President Rafael Correa came to power in 2006 and promised to follow the lead of Venezuela’s leader.<sup>139</sup> Given the increasing disenchantment over

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<sup>137</sup> Kevin Sullivan, “Chavez Casts Himself as the Anti-Bush; With Oil on His Side, Venezuelan Seeks Allies Against U.S.,” *The Washington Post*, March 15, 2005, <http://proquest.umi.com/pqdweb?did=807646761&sid=10&Fmt=3&clientId=11969&RQT=309&VName=PQD> (accessed 23 October 2007).

<sup>138</sup> Ibid.

<sup>139</sup> Chris Kraul, “Leftist rolling to victory in Ecuador’s presidential race,” *Los Angeles Times*, November 27, 2006, <http://proquest.umi.com/pqdweb?did=1168504241&sid=12&Fmt=3&clientId=11969&RQT=309&VName=PQD> (accessed 28 October 2007).

the years with global capitalisms promise to improve living conditions in countries who adhere to the economic tenants pushed by the World Bank and the International Monetary Fund, Chavez's populist message has struck a resounding cord of understanding with countries like Peru and Nicaragua. This common ideological footing has opened the diplomatic door and nurtured friendships for Chavez throughout Latin America.

Beyond Latin America, Chavez has made extensive gains in the diplomatic arena. Within the first year of his presidency, Chavez toured ten countries in Asia, Europe, and the Middle East.<sup>140</sup> In January 2005, Venezuela and China signed 19 cooperation agreements concerning oil, agriculture, and technology.<sup>141</sup> With over 60% of Venezuelan oil exported to the United States, agreements like these attempt to diversify their markets and decrease dependency on the U.S.

Chavez has spent significant time in Russia in an attempt to strengthen political ties with a strategic partner in energy while bolstering relations with a veto-holding member of the UNSC. Beyond economic benefits, Chavez and Russia are linked ideologically in their distrust of America and have vocalized their solidarity in limiting U.S. preponderance.<sup>142</sup> Likewise, he has vigorously defended Iran's right to develop nuclear energy and lambasted Washington's reproach of Tehran's nuclear ambitions. As mentioned earlier, this relationship has blossomed into a reciprocal entente where Venezuela has agreed to embark on a joint venture with Iran, trading technologies associated with oil production, and nuclear energy.

The varying aspects of soft balancing strategies highlight how easily states can transition from economic partners to diplomatic allies. The resulting relationship between Venezuela and Iran has reduced the cost for Iranian refusal to abide by

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<sup>140</sup> Christina Marcano and Alberto Tyska, *Hugo Chavez*, 156.

<sup>141</sup> Sarah Wagner, "Venezuela and China Sign 19 Cooperation Agreements," *venezuelanalysis.com*, (January 31, 2005), <http://www.venezuelanalysis.com/news/908> (accessed 9 November 2007).

<sup>142</sup> Reuters reported that President Hugo Chavez visited Russia in June when he thanked President Vladimir Putin for showing solidarity in Venezuela's feud with Washington. Reuters, "Russia denies sale of 98 planes to Venezuela," (24 August 2007), <http://www.reuters.com/article/politicsNews/idUSL2415137020070824> (accessed 30 September 2007).

international restrictions led by the United States concerning their nuclear program. If this relationship proves anything, it is that soft balancing strategies by smaller states can seriously infringe on the interests of great powers.

### C. CONCLUSION

So what do Chavez's actions convey to Washington and the rest of the world? Whether or not Chavez has specifically drawn up a soft balancing strategy, his actions certainly reflect such intentions above and beyond the obvious anti-American rhetoric. To reiterate Pape's argument, "Soft balancing measures do not directly challenge a unipolar leader's military preponderance, but they can delay, complicate, or increase the costs of using that extraordinary power."<sup>143</sup> At home and abroad Chavez has stepped up to the plate to bat against U.S. hegemony. Through international institutions he has tried to gain a more influential position in world affairs. By forging strong economic relationships with countries like China and Iran, Chavez seeks to limit the amount of influence Washington can have on Venezuelan affairs; meanwhile, Chavez can still economically support his petrol-fueled Bolivarian endeavor. By engaging diplomatically with countries outside the "good graces" of Washington, those members of the "axis of evil," Chavez appears to be forming a loose alliance of sorts, an "axis of unity;" unfortunately they are united against the United States.

While Chavez's record has seen little success in challenging the United States, the fact that he has stepped up to the plate at all is impressive and this follows the goal of soft balancing – not to defeat the threat but to limit its scope. According to Pape, limiting the scope of the threat is accomplished by "building cooperation with nonmilitary tools."<sup>144</sup> In order to gain ground internationally, Chavez's soft balancing strategy needs to be better resourced. These resources may be found in what Joseph Nye dubbed as "soft power". The next chapter addresses the concept of soft power in regards to small state ability to recognize its soft power resources, and utilized them to resource a soft balancing strategy.

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<sup>143</sup> Pape, *Soft Balancing Against the United States*, 17.

<sup>144</sup> Pape, *Soft Balancing Against the United States*, 18.

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## IV. RESOURCING THE STRATEGY: SOFT POWER

### A. INTRODUCTION

The traditional method used by states to secure their interests abroad has been accomplished through hard power tactics that utilize superior military force and traditional “carrot and stick” applications. The first chapter noted that as the international system moved toward unipolarity at the end of the Cold War, the use of hard power tactics by states as a means to an end, such as the threat of military force, became less likely. Having discussed the concept of soft balancing and its application toward small state challenges to hegemony, the discussion now turns toward soft power. This chapter extends Joseph Nye’s argument that hard means have been replaced by softer tactics, such as soft balancing, that are girded by ‘soft power’. Nye first developed the concept of ‘soft power’ in his 1990 book, *Bound to Lead*, and then further developed it in his 2004 book, *Soft Power: The Means to Success in World Politics*. It should be noted at this juncture that the concept of soft power as a resource for soft balancing strategies is not explicitly stated by Nye, yet the connection between the two exists.

This chapter argues that soft power is an important aspect of any soft balancing strategy for small states; yet, it is extremely difficult to wield. It is therefore extremely important for small states to understand what aspects of soft power they have control of, if any. Though Hugo Chavez has not explicitly stated any intent to harness soft power to further his Bolivarian Revolution, his actions in this regard are characteristically “soft” in nature. For that reason, the case of Hugo Chavez and Venezuela serves as a good example of a small state’s struggle to understand, develop, and employ its soft power resources.

## B. SOFT POWER AS A RESOURCE

It is important to restate what is ‘soft power’? Nye defines soft power as “the ability to get what you want through attraction rather than coercion or payments.”<sup>145</sup> It is the ability to shape the preferences of others by presenting your culture, political ideals, and policies as legitimate ends in and of themselves. The currency of soft power rests not in military or economic coercion, but in “an attraction to shared values and the justness and duty of contributing to the achievement of those values.”<sup>146</sup> According to Nye, soft power behavior is exhibited through agenda setting, attraction through culture and political ideals, and co-optation. The resources to exert soft power are found both domestically and internationally. Domestically, a state draws on the attractiveness of its values, culture, and policies. In terms of culture, Nye distinguishes between high culture and popular culture.<sup>147</sup> High culture encompasses “friendships of future world leaders” through academic and scientific exchanges. The more well-known popular culture aspect of soft power encompasses everything from sporting events, entertainment, and commercial products, to outward manifestations of democracy, such as protest movements. Beyond culture, the domestic values and policies of a state that are seen as legitimate and democratic are powerful sources of attraction. Internationally, states seek to set the agendas in international institutions that serve their ends. In this sense, soft power represents a type of currency or resource in the realm of international diplomacy when these resources, such as culture and domestic politics, are seen as desirable and attractive. When domestic and international resources are combined, states seek to co-opt a ‘coalition of the willing’ that will help to reach its goals. Therefore, states are not physically, through threats of use of force or sanctions, causing states to bend to their will, but are enticing states to see their cause as the right cause. In effect, soft power can serve as a powerful resource of soft balancing strategies.

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<sup>145</sup> Nye, Jr., Joseph S. *Soft Power: The Means to Success in World Politics*. (New York, NY: Public Affairs, 2004). x.

<sup>146</sup> *Ibid.*, 7.

<sup>147</sup> *Ibid.*, 44.



If Chavez has employed a soft balancing strategy to counter U.S. preponderance, and soft power serves as a resource for such strategies, then it would follow that Chavez has sought to build a great deal of soft power during his tenure in office. This chapter seeks to identify Chavez's sources of soft power in regards to powers of attraction. Nye explains why soft power is such a difficult resource to utilize: "It is not enough just to have visible power resources. In the case of soft power, the question is what messages are sent and received by whom under which circumstances, and how that affects our ability to obtain the outcomes we want."<sup>148</sup> With this in mind, Hugo Chavez's efforts in Venezuela beg a larger question – can small states ever hope to build significant soft power to achieve their ends? In order to answer this question, other questions must be addressed: Who is receiving Chavez's anti-American message and how has it been received?

### **C. ASSESSING VENEZUELA'S SOFT POWER**

Soft power behaviors are embodied in three realms of diplomacy as already noted: agenda setting, power of attraction, and the ability to co-opt allies. Chapter Three examined Chavez's efforts to soft balance American preponderance which relied heavily on the co-optation of like-minded states regionally and internationally. This chapter focuses on the other two behaviors associated with building soft power: attraction and agenda setting. Attraction and agenda setting are unique components of soft power in that they build upon each other yet may have different target audiences. Attraction is difficult to build because what attracts some may repulse others. Evident in Chavez's efforts to challenge American preponderance, he has sought an international status that would allow for the successful application of each behavior. His actions in the U.N., OPEC, and regional institutions attest to his efforts to set the agenda of each organization. Chavez's Bolivarian rhetoric that preaches the imperatives of national sovereignty, while fighting corruption and inequality, and directly challenging the United States, seeks to build the attractiveness of his cause. The next two subsections run through the primary currencies of both soft power behaviors.

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<sup>148</sup> Nye, *Soft Power*, 44.

## 1. Powers of Attraction

Along with its values and policies the attractiveness of a country's culture is a large aspect of its potential soft power. Nye emphasizes, "When a country's culture includes *universal values* and its policies promote values and interests that others share, it increases the probability of obtaining its desired outcomes because of the relationships of attraction and duty that it creates. *Narrow values* and parochial cultures are less likely to produce soft power."<sup>149</sup> This passage is important in that it distinguishes the common attribution of popular culture to soft power and those aspects of a country's culture attributed to high society, such as fine arts, music, and higher education. America has been able to capitalize on all these aspects in spreading 'American' culture because it possesses strong sources in the private sector. A strong economy is a ready testament to the benefits of liberal capitalism. American universities export American ideas and values to the millions of international students that attend them every year.<sup>150</sup> So where does this situation leave small states? A small state like Venezuela stands very little chance of reaching the cultural influence that America has been able to attain since the end of World War II. Consequently, they must make efforts to promote those aspects of its culture that are most appealing. Most likely, this strategy will only have regional implications.

If it is true that small states have few cultural resources that appeal internationally, then they must look toward the remaining two currencies of attraction – political values and government policies. Chavez risks squandering Venezuela's soft power within these realms with his Socialist Bolivarian Revolution. Venezuela, once seen as a guiding light for democracy in the region during the 1960's, succumbed to the corruption that plagues so many Latin American countries. Governmental corruption ate away at the democratic institutions in the country and was the impetus for the failed coup of 1992 led by then LTC Hugo Chavez. Ironically, it was on a ticket of anti-corruption and a return to democratic ideals that Chavez was able to win the presidency in 1999. Unfortunately,

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<sup>149</sup> Nye, *Soft Power*, 11. (Italics added by this author for emphasis)

<sup>150</sup> *Ibid.*, 13.

immediately after taking office, Chavez began to implement his Bolivarian Revolution for Venezuela. This socialist mission involved rewriting the Constitution, disbanding the National Assembly, and consolidating more power under the presidency. While these actions have gained favor for Chavez in other left-leaning nations such as Bolivia, and other weak democracies such as Iran and Russia, they have done little to gain support from the major power players of the world.

Western critics of Chavez's regime content that Venezuela's domestic policies are becoming more socialist and less democratic.<sup>151</sup> It has been noted that the need to wage war against corruption, inequality, and injustice are three themes that drive the political behavior of most Venezuelans.<sup>152</sup> Chavez has clearly exploited these themes domestically. However, as Chapter one outlined, the Bolivarian Socialism that Chavez initiated upon assuming the presidency are troubling to the international community. His efforts to consolidate power under the executive by rewriting the constitution, undermining the judiciary, and seeking to remove presidential term limits are potentially problematic to the international community. Further socialist programs include a new land reform initiative that ultimately takes from the rich and redistributes to the poor. The *New York Times* reported that "Mr. Chavez is carrying out what may become the largest forced land redistribution in Venezuela's history, building utopian farming villages for squatters, lavishing money on new cooperatives and sending army commando units to supervise seized estates in six states."<sup>153</sup> He has nationalized the petroleum industry and the banks while shunning recommendations from the IMF and WTO.<sup>154</sup>

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<sup>151</sup> For an in-depth analysis of the decline of democracy in Venezuela and the type of governance put in place by Chavez since 1999, see: Jennifer L. McCoy, and David J. Myers, eds. *The Unraveling of Representative Democracy in Venezuela*, (Baltimore, MD: The Johns Hopkins University Press, 2004).

<sup>152</sup> Naim, Moises. "Introduction," in the book by Cristina Marciano and Alberto Barrera Tyszka, *Hugo Chavez*, (NY: Random House, 2007): xix.

<sup>153</sup> Simon Romero, "A Clash of Hope and Fear As Venezuela Seizes Land," *New York Times*, May 17, 2007, sec A8, <http://proquest.umi.com/pqdweb?did=1272322121&sid=13&Fmt=3&clientId=11969&RQT=309&VName=PQD> (accessed 25 October 2007).

<sup>154</sup> Peter Howard Wertheim, "Venezuela nationalizes oil rigs; deepens Chinese ties," *Oil & Gas Journal*, vol 105, 20 (May 28, 2007):36-38, <http://proquest.umi.com/pqdweb?did=1278866231&sid=14&Fmt=3&clientId=11969&RQT=309&VName=PQD> (accessed 25 October 2007).

Most recently he has exercised a heavy hand in censoring the media by refusing to renew the license of the country's oldest broadcasting company due to its anti-government programming.<sup>155</sup> These socialist government policies have potentially squandered Venezuela's soft power as they are seen as illegitimate by most of the world. Few states will be willing to work with a leader who so overtly discards the democratic ideals that the majority of the world admires. While the international community may continue to view Venezuela as democratic under Chavez's Bolivarian Revolution, his efforts to consolidate power under the executive, restrict free-speech in the media, and other authoritarian measures, serve only to degrade his soft power resources by limiting his international appeal. Not only do his *Chavista* politics degrade his powers of attraction, they influence any agenda setting efforts by Chavez.

## **2. Agenda Setting Efforts**

The soft power resources gained from powers of attraction are gleaned from both popular and elite levels. The soft power acquired from agenda setting efforts is primarily at the elite level, though certainly buttressed by attractive power. Agenda setting is a form of co-optive power – the ability to shape what others want – “the ability to manipulate the agenda of political choices in a manner that makes others fail to express some preferences because they seem to be too unrealistic.”<sup>156</sup> The seeming “unrealistic” political choice put forward by Chavez is his overt challenge to the United State's preponderance in the international system.

Chavez has attracted leaders to his anti-imperialist cause throughout Latin America. Leaders in Bolivia, Ecuador, Uruguay, and Nicaragua have assumed the mantle of anti-imperialism offered by Chavez and his Bolivarian Revolution. Ecuador's new elected leader, Rafael Correa, seems to have adopted Venezuela's political strategy of reorganizing government, while adding to the anti-American rhetoric, denouncing the

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<sup>155</sup> Simon Romero, “Venezuela pulls the plug on anti-Chavez network,” *The International Herald Tribune* (May 28, 2007):2, <http://www.lexisnexis.com/> (accessed 25 October 2007).

<sup>156</sup> Nye, *Soft Power*, 7.

United States as an “empire.”<sup>157</sup> Though not as outspoken as these, fellow socialist in Chile, Brazil, and Argentina have offered cautious support for Chavez’s call for regional unity, while hoping to tone down some of his more harsher rhetoric. Chile’s president Bachelet conceded during Venezuela’s bid for the UNSC seat that a vote for Guatemala and not Venezuela “would be a signal of little independence from the United States.”<sup>158</sup> By willing to overlook the differences between Venezuela and Chile, Bachelet concedes her willingness to support Chavez’s agenda. The same *Washington Post* article that quoted Bachelet posits that for states like Brazil and Argentina, “solidarity with a neighbor matters more than solidarity with other democracies, and that their governments prefer a weaker United States to a chastened Hugo Chavez.”<sup>159</sup> By calling on Bolivarian ideals that promote Latin American solidarity, and showing a willingness to openly challenge the United States, Chavez appears to build soft power within this spectrum of behavior. The following section presents the great difficulty that Chavez has had in utilizing and maintaining his soft power.

#### **D. CHAVEZ’S CHALLENGE TO WIELD SOFT POWER**

Are Venezuela’s soft power resources declining because of Chavez’s Bolivarian revolution? What amount of any of the three components of soft power, agenda setting, attraction, and co-optation, ensure success in a broader soft balancing strategy? These are difficult questions to answer and they highlight the inherent complexity in harnessing soft power to purposively reach any ends. Joseph Nye states, “Soft power is more difficult to wield, because...many of its crucial resources are outside the control of governments, and their effects depend heavily on acceptance by the receiving audiences. Moreover, soft-power resources often work indirectly by shaping the environment for

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<sup>157</sup> “Venezuela’s Satellites,” *The Washington Post*, January 28, 2007, <http://proquest.umi.com/pqdweb?did=1204119991&sid=3&Fmt=3&clientId=11969&RQT=309&VName=PQD> (accessed 28 November 2007).

<sup>158</sup> Jackson Diehl, “Chavez’s U.N. Moment, Why do Latin Democrats Support Him?” *The Washington Post*, October 16, 2006, sec A.21, <http://proquest.umi.com/pqdweb?did=1146076011&sid=4&Fmt=3&clientId=11969&RQT=309&VName=PQD> (accessed 29 November 2007).

<sup>159</sup> Ibid.

policy, and sometimes take years to produce the desired outcomes.”<sup>160</sup> Chavez’s domestic and foreign policies tread a thin line in regards to understanding that soft power is “the ability to get the outcomes you want without having to force people to change their behavior through threats or payments.”<sup>161</sup> As long as he maintains a heavy hand in the affairs of Venezuela, he risks eroding his regime’s soft power.

How has Chavez eroded his soft power resources? First, Chavez’s own anti-American rhetoric has potentially cost him credibility. In the information age, where everything uttered is available across the world, one’s efforts to attract some may repel others. Soft power is essentially a two edged sword. When communicating to the world his intention to challenge the regional hegemon by calling their elected leader “the devil,” Chavez opened a Pandora’s Box of bad publicity from Western based media firms. The fact that his rhetoric is always so charismatic and abrasive in nature leads critics to discount him as just another *caudillo*, discounting his credibility as a legitimate leader. Nye emphasizes the importance of credibility as a “crucial resource, and an important source of soft power.”<sup>162</sup> By nature, a credible leader is much more attractive.

Credibility lies in the legitimacy of the leader’s administration and the fulfillment of his promises. Chavez gained the presidency in 1999 by running on an anticorruption platform. Yet, eight years later, his regime has become mired in accusations of corruption. As Chavez continues to erode the democratic foundations in Venezuela, he risks losing not only international support for his regime, but regional and domestic backing. This thesis attempts to glean the perceived attractiveness of Chavez’s values and policies by pulling data from two different sources, Transparency International and Latinobarometro Corporation. These sources attempt to poll both elite and popular perceptions of Chavez’s regime while following Nye’s assumption that “polls are a good first approximation of both how attractive a country appears and the costs that are incurred by unpopular policies, particularly when they show consistency across polls and

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<sup>160</sup> Nye, *Soft Power*, 99.

<sup>161</sup> Ibid., 15.

<sup>162</sup> Ibid., 106.

over time.”<sup>163</sup> The following section draws on elite perceptions of Chavez’s regime by pulling data from the Corruption Perceptions Index produced by Transparency International. Next, data from the Latinobarometro Survey is utilized to gauge popular perception of the Chavez regime.

## **1. Evaluating Perceptions**

Produced by Transparency International, The Corruption Perceptions Index (CPI) is a composite index that draws on multiple expert opinion surveys that poll perceptions of public sector corruption and the level of confidence the regimes in 180 countries around the world. This survey is relevant to this study because it illuminates elite perception of the Chavez regime at the international level. Evaluating Chavez’s regime in relation to its level of corruption is particularly significant because it is an indicator of how attractive it is to the international community. The values and policies of the Chavez regime directly contribute the level of corruption perceived by the survey respondents. It follows that the more corrupt a regime is viewed to be, the less amount of soft power it is likely to possess. Since 2002, Venezuela’s CPI score has increased while confidence in the nation’s leadership has decreased.<sup>164</sup>

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<sup>163</sup> Nye, *Soft Power*, 18.

<sup>164</sup> [http://www.transparency.org/policy\\_research/surveys\\_indices/cpi](http://www.transparency.org/policy_research/surveys_indices/cpi) (accessed 31 October 20007). CPI Score relates to perceptions of the degree of corruption as seen by business people and country analysts, and ranges between 10 (highly clean) and 0 (highly corrupt). Confidence range provides a range of possible values of the CPI score. This reflects how a country's score may vary, depending on measurement precision. Nominally, with 5 percent probability the score is above this range and with another 5 percent it is below. However, particularly when only few sources are available, an unbiased estimate of the mean coverage probability is lower than the nominal value of 90%.

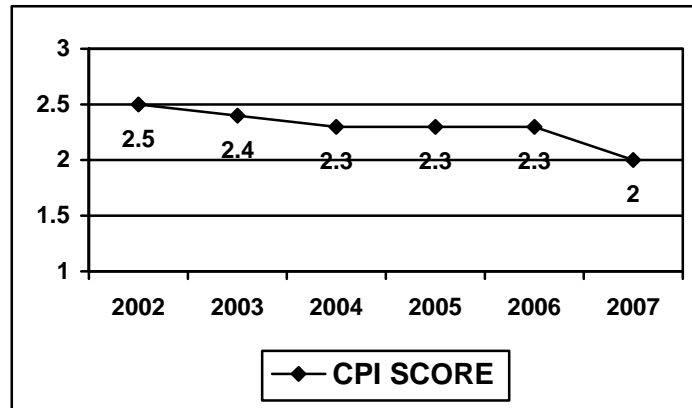


Figure 1. 2002-2007 CPI Score for Venezuela

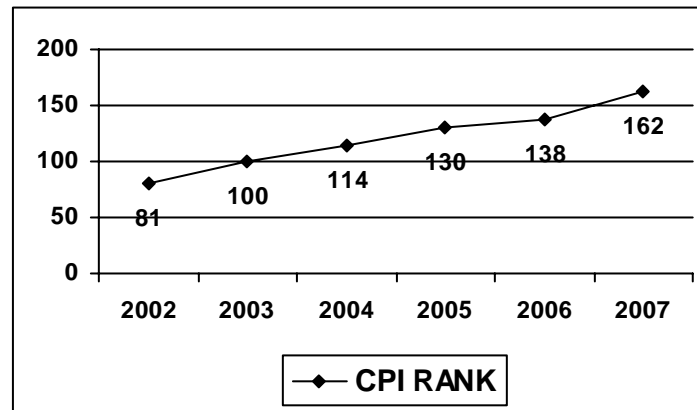


Figure 2. 2002-2007 CPI Ranking for Venezuela

As seen in Figures 1 and 2, Transparency International has recorded a steady increase in the level of corruption in Venezuela since 2002. As a result Venezuela's rank among all other states has plummeted to 162, down 81 positions since 2002. These elite opinions of Chavez's regime appear to discredit his Bolivarian Revolution as a more honest government than the one it replaced. The increase in perceived corruption suggests a decline in attractive soft power within the elite levels of the international community.

Since soft power is about the ability to build attraction, then it follows that if Chavez has been successful in marketing Bolivarian Socialism, data should demonstrate a regional movement or inclination in that direction among the popular levels. In order to



see if the region is attracted to Chavez's Revolution, this thesis relies upon the work conducted by the Latinbarómetro Corporation, a non-profit organization based in Santiago, Chile. Since 1995, the Latinbarómetro Corporation has surveyed 18 countries in the region on a range of issues.<sup>165</sup> Important to this thesis is their work concerning popular opinions on democracy and world leaders.

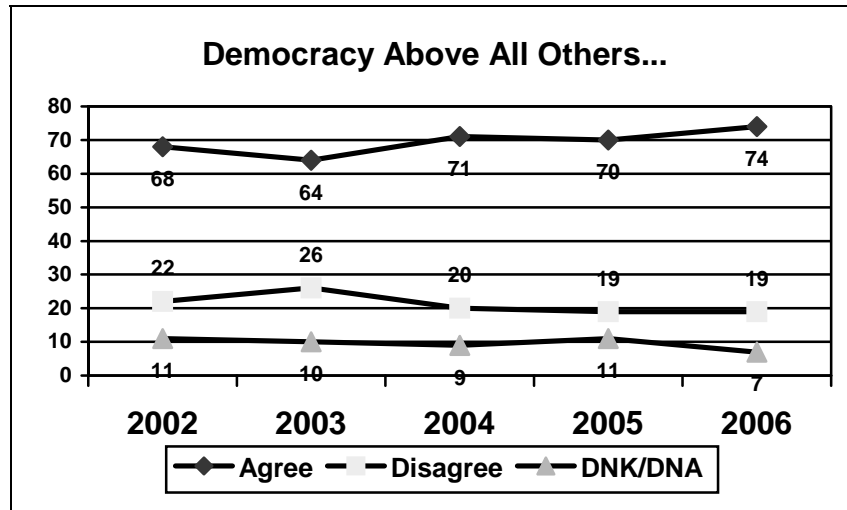


Figure 3. Venezuelan Confidence in Democracy

When Latin American countries were surveyed in 2006 concerning the status of democracy, they were asked, “Do you strongly agree, agree, disagree or strongly disagree with the following statement? Democracy may have problems but it is the best system of government.” The results were quite positive when compiled with the results since 2002. As Figure 3 shows, the level of confidence in democracy has remained steady with a slight upward trend between 2005 and 2006. Additionally, the number of individuals who were not sure about the definition of democracy declined, demonstrating a regional improvement in understanding the components of democracy. The continued adherence to democracy in the region suggests that Latin Americans have not become disenchanted

<sup>165</sup> All statistics and data for tables and figures are drawn from the yearly reports published on the Latinbarómetro Corporation website and can be retrieved at <http://www.latinobarometro.org/index.php?id=150>.

with democracy as a fair form of governance or discarded it in favor of socialism despite continuing issues of corruption. When explored further, the survey reveals that Venezuelan's hold the second highest regard for democracy in the region at 89%, well above the regional average of 74%. (See Figure 4)

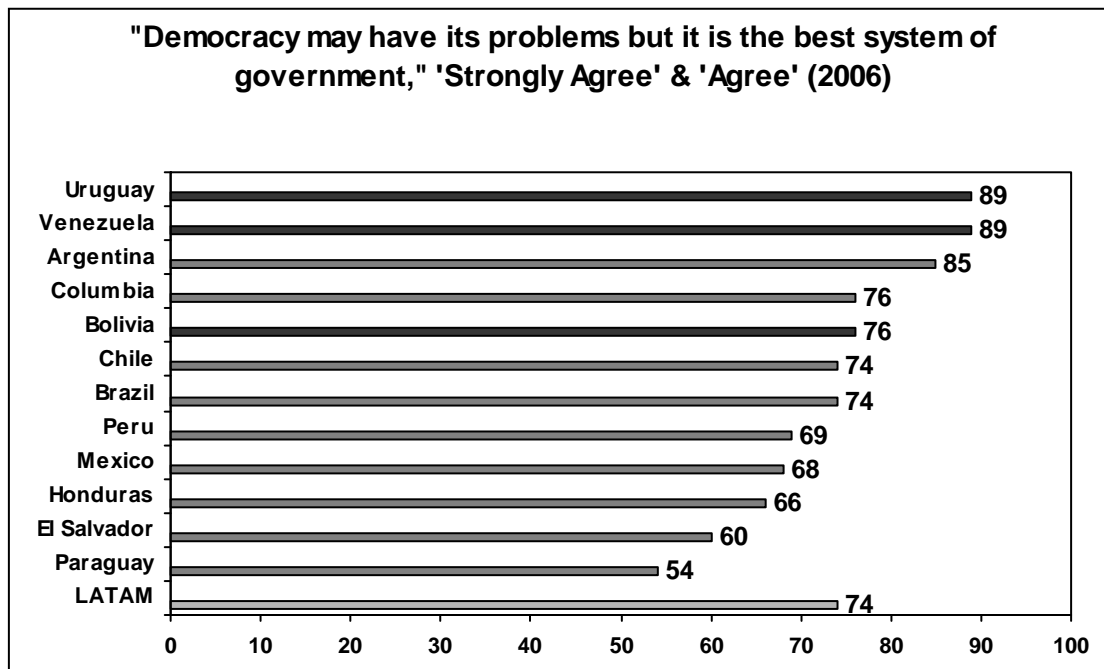


Figure 4. Latin American Confidence in Democracy (From: Latinobarometro Report 2006)

The polling data in Table 1 provides further insight into the level of confidence in democracy that Venezuelans proclaim regardless of Chavez's Bolivarian revolution. The survey gauged citizens' hopes of improving individually and nationally under a democratic government and found Venezuelans well above the regional average in all three categories.

Country	Democracy As Best System of Government	Democracy as way to become developed country	Democracy creates conditions in which individuals can prosper through their own efforts
Uruguay	89%	79%	75%
<b>Venezuela</b>	<b>89%</b>	<b>78%</b>	<b>76%</b>
Dominican Rep.	87%	72%	84%
Argentina	85%	70%	72%
Costa Rica	80%	66%	71%
Panama	78%	61%	65%
Bolivia	76%	59%	67%
Columbia	76%	56%	68%
Brazil	74%	50%	70%
Chile	74%	61%	62%
Peru	69%	45%	63%
Guatemala	69%	47%	67%
Mexico	68%	58%	69%
Nicaragua	68%	44%	70%
Ecuador	66%	38%	48%
Honduras	66%	46%	65%
El Salvador	60%	39%	49%
Paraguay	54%	38%	50%
<b>Latin America</b>	<b>74%</b>	<b>56%</b>	<b>66%</b>

Table 1. Latin American Insight into Democracy (From: Latinobarometro Report 2006)

These findings suggest two possibilities in regards to Chavez's abilities to rally the region to Bolivarian Socialism. First, they suggest that Chavez has quite simply been unable to sell his product and that he remains in power only as long as he adheres to some vestige of democracy. The other possibility is that the region's understanding of

democracy is limited – meaning that as long as they are able to vote periodically the government remains democratic. While this last point is unsettling, the answer probably lies somewhere in between.

Probably the easiest way to measure the attractiveness of one's policies and individual credibility is to evaluate the region's image of the leader in question. The Latinbarómetro Corporation began in 2005 to accomplish just this task by asking respondents to evaluate foreign leaders on a 0 to 10 scale, where 0 means a very bad evaluation and 10 very good. The resulting data is very interesting when comparing the responses to Chavez and President Bush. In 2005, Chavez scored 5.2 in South America, 4.5 in Central America and 5 for all of Latin America. Surprisingly, President Bush scored remarkably similar marks: 4.1 in South America, 5.6 in Central America and 4.8 for all of Latin America. The results for 2006 are even more surprising that both Chavez and President Bush receive an overall score of 4.6, just slightly better than Castro at 4.4.

The results of this survey demonstrate the great difficulty of wielding soft power, of effectively attracting others to join a cause. Despite an incredibly unpopular war in Iraq and Chavez's call to arms against the Bush administration's unilateral foreign policies, Chavez is still unable to surpass President Bush in a public opinion poll, even one conducted in his backyard. How much harder then is it to resource soft power internationally?

## **E. CONCLUSION**

The difficulty of wielding soft power lies within its very nature. As such, it leaves much room for error – in that state leaders do not directly control the sources of soft power, such as culture or the sentiments of the intended audience. However, state leaders do have significant opportunity to influence another source of soft power - domestic policies – especially those that appeal to the international community. The task is not as easy as simply adopting a version of democracy; the ability to forecast how the world receives and interprets a state's domestic politics is not entirely within the realm of state control. An intense information campaign could help bolster the state's cause but the ability to conduct such are limited by money, prestige, and egotism.

How do small states like Venezuela overcome the hurdles of wielding soft power? First, they must identify their intended audience. Is it the population or the international elites? Second, who the intended audience is dictates the type of rhetoric, the domestic and foreign policy strategy that appeals to the intended audience while still serving the national interests.

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## **V. CONCLUSION**

### **A. SOFT BALANCING IMPLICATIONS FOR SMALL STATES**

#### **1. Hegemonic Defiance**

This thesis began with three objectives: first, to illuminate the international hierarchy within a unipolar international order; second, to identify small state challenges to the international order under this system; and, third, to identify soft balancing as a potential path small states pursue to challenge the hegemonic power while seeking to draw on soft power resources. The case of Venezuela and Hugo Chavez is an interesting one as this piece has highlighted. Chavez provides an overt example of hegemonic defiance within the same hemisphere as the hegemonic power. As this thesis has shown, he has made extraordinary steps to build relationships with other regimes outside the good graces of Washington. These relationships, with countries like Iran, limit the scope of Washington's own foreign policy in regards to securing United States interests abroad. Simply stated, soft balancing efforts by small states like Venezuela raise the cost of doing business as usual for America. However, most small states tread a thin line when it comes to soft balancing in that they potentially can raise their own costs due to the level of interconnectedness between it and the hegemonic power.

#### **2. Globalization and the Interconnected Predicament**

Most small states by their very nature maintain economies that are linked to some degree with larger states, especially the United States. The degree of this linkage determines whether their economies are interconnected or interdependent. The distinction is important because it determines what the cost is of challenging the larger state. Robert Keohane and Joseph Nye defined interdependence as mutual dependence between countries resulting from international transactions of money, goods, people, and

technology.<sup>166</sup> They point out that interdependence need not be mutually beneficial. Globalization has increased interconnectedness on an astronomical scale, yet interconnectedness is not synonymous with interdependence. “Where there are reciprocal (although not necessarily symmetrical) costly effects of transactions, there is interdependence. Where interactions do not have significant costly effects, there is simply interconnectedness.”<sup>167</sup> Understanding levels of interdependence is important because it sheds light on the relationship between nations, specifically, it points to who has more power or influence along lines of dependency. The linkages, both economically and politically, between nations that foster interconnectedness and interdependence must be understood in order to interpret state response. As Robert Gilpin has noted, “Individual states have a powerful incentive either to decrease their own dependence on other states through such policies as trade protection and industrial policies or to increase the dependence of other states upon them through such policies as foreign aid and trade concessions.”<sup>168</sup> The crux of Chavez’s anti-American agenda is to lesson dependence on the United States; however, because of the immense oil linkages between the two countries, he can only pursue this agenda so far. Further research to determine how interconnected or interdependent the Venezuelan and United States’ economies are would provide valuable information to policy makers in helping to formulate an effective strategy to secure U.S. interests in the region.

## **B. SOFT BALANCING IMPLICATIONS FOR THE UNITED STATES**

### **1. Engaging Third-Tier States (Again)**

In chapter three, this thesis presented Stephen Walt’s argument that states will join alliances when they view a state as increasingly threatening due to any combination of the following four factors: 1) aggregate power; 2) proximity; 3) defensive capability;

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<sup>166</sup> Keohane, Robert O., and Joseph S. Nye. *Power and Interdependence*. (Glenview, Ill: Scott, Foresman, 1989).

<sup>167</sup> Ibid., 9.

<sup>168</sup> Gilpin, Robert. *Global Political Economy: Understanding the International Economic Order*, (Princeton: Princeton University Press, 2001), 82.



and 4) offensive intentions.<sup>169</sup> This thesis asserts that these four factors are still relevant when determining third-tier state response to United States' foreign policy. The aggregate power of the United States far surpasses that of any state; the ability to rapidly deploy forces makes proximity a moot point; both factors directly inhibit any defensive capability; and the last six years demonstrate an increased willingness to pursue offensive operations against perceived threat to the United States. It is no wonder that third-tier states, like Venezuela, have sought allies to challenge U.S. preponderance in the international system.

So what are policy makers to do? The obvious answer is one that has been argued for some time – increased and prolonged engagement. In the same 1985 article in which Walt proposed the four factors, he posits that “America’s knee-jerk opposition to leftist forces in the developing world should be abandoned.”<sup>170</sup> If this was true during the Cold War, then positive engagement of regime’s viewed to be outside the United State’s version of representative democracy is imperative to assuaging threat perceptions of these third-tier states. Formulating a foreign policy that clearly identifies the United States intentions and interests in a region is imperative to this task. Washington’s policy makers need to reach out to small state diplomats, and begin a serious dialogue with the aim of understanding their fears and anxieties. Responding to anti-American rhetoric with equally harsh rhetoric only heightens tensions and plays into the hands of the perpetrator. A shift in means is needed to deal with defiant states.

## **2. A Shift in Means**

One of the greatest challenges to Washington’s leadership is deciding how to deal with defiant states and their leaders who are intent on undermining the United States’ power in the international system. The United States’ hands are somewhat tied when dealing with Hugo Chavez and his Bolivarian revolution for Venezuela. The Democratic Charter of the OAS prevents any overt subversion of the current regime, as does customary international law, and the UN Charter. Washington’s efforts to promote

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<sup>169</sup> Walt, “Alliance Formation and the Balance of World Power,” 9.

<sup>170</sup> Ibid., 40.

democracy through entities such as the NED and USAID are limited due to Chavez's own restrictions of their operations in Venezuela. Furthermore, as Chavez holds on to some semblance of democracy in Venezuela he holds off any consideration of the U.S. to flex its hard power muscles. However, "When the United States focuses sustained attention, good things generally happen. Attention is more intense when American security is at stake."<sup>171</sup>

Traditionally, the United States deals with states outside of their good-graces through several national security strategies: compellence, coercive diplomacy, deterrence, preemption/prevention, and reassurance. Most of these strategies revolve around threats leveraged either overtly or covertly. In regards to Venezuela, and most third-tier states that do not present an overt military threat, deterrence is not applicable. Deterrence entails leveraging hard power against hard power with a real threat to intervene militarily. In this regard, military preemption or prevention also would be outside the purview of diplomacy in dealing with third tier states – the international community would not allow it. Similarly, the threat by defiant states should not warrant preemptive or preventive action. The less military foreign policy options of compellence and coercive diplomacy would prove difficult to employ with a third tier state leader like Chavez who would view such strategies as threatening.

Engagement through multilateral institutions represents a nonmilitary option to safeguard American interests while not increasing the threat. Multilateral participation also increases legitimacy in the international view, which in turn builds attractive soft power. Just because the international is unipolar does not mean that the United States need act unilaterally to safeguard its interests. Hal Klepak argues that multilateral participation does not undermine U.S. interests. He reviews how the U.S. has used multilateral organizations to legitimize U.S. policy in the region, gain access to the markets, and mobilize resources to best serve U.S. interests. He does concede that, "smaller states of the Americas have sought to use multilateralism and multilateral

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<sup>171</sup> Gabriel Marcella, *American Grand Strategy for Latin America in the Age of Resentment*, (Army War College Strategic Studies Institute, Carlisle Barracks, PA, September 2007) <http://handle.dtic.mil/100.2/ADA472930> (accessed 30 November 2007), 46-47.

institutions to restrain the influence of the United States and its behavior in the western hemisphere.”<sup>172</sup> Klepak provides interesting insight into the inner workings of Latin American multilateralism, asserting that any moments of constraint only occur “when U.S. vital interests tend not to be involved and where Latin American or more recently Canadian actions to limit U.S. unilateralism do not negatively affect goals perceived to be key to Washington.”<sup>173</sup> Klepak concludes that the U.S. role in multilateral institutions in the region are characterized by power asymmetries that has led to the U.S.’s success in advancing its interests. However, he notes that when Latin American countries have been able to find counterbalances to U.S. power, “they were able to restrain the U.S. more effectively.” By his own concession, Klepak acknowledges the soft balancing potential of international organizations, both for large and small states.

### C. SMALL STATES AND FUTURE TRENDS

If anything is to be learned in the Venezuelan experience, it is that small states continue to face incredible hurdles in acquiring parity in the international system, despite the increasing interconnected character of that system. Rothstein’s definition of Small Powers holds true today – “a state which recognizes that it can not obtain security primarily by use of its own capabilities, and that it must rely fundamentally on the aid of other states, institutions, processes or developments to do so.”<sup>174</sup> During the height of the Cold War, Robert Rothstein wrote on the changing role of small powers in international politics. In regards to the relationship between “Small Powers” and “Great Powers,” Rothstein writes, “True independence, an independence which is assured whatever the status of Great Power relationships, still escapes the grasp of Small Powers. If anything seems capable of altering this condition, it is the dispersion of nuclear weapons to more and more states, or so it seems.”<sup>175</sup> Rothstein is writing during a period

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<sup>172</sup> Klepak, Hal. “Power Multiplied or Power Restrained? The United States and Multilateral Institutions in the Americas.” In *U.S. Hegemony and International Organizations: The United States and Multilateral Institutions* by Rosemary Foot et al. (NY: Oxford University Press, Inc., 2003), 239.

<sup>173</sup> *Ibid.*, 240.

<sup>174</sup> Rothstein, *Alliances and Small Powers*, 29.

<sup>175</sup> *Ibid.*, 265.

that witnessed an increased focus on nuclear proliferation, when “Small Powers” like India were reaching the intersection between “external threat and internal capability to produce a bomb.”<sup>176</sup> Since the end of the Cold War, very few states have pursued nuclear weapons and those who have tried have faced nearly insurmountable obstacles put in place by the United States and other large powers. All the same, Rothstein’s concern about nuclear proliferation and small powers should still resonate today. When states like Venezuela with large amounts of money at its disposal strengthen ties with states like Iran whose existing nuclear program is under intense scrutiny, alarm bells should be ringing. These alarm bells should get louder when Hugo Chavez is outspoken about Iran’s right to develop nuclear technology without international oversight.

This thesis does not purport that small states will pursue nuclear weapons as a method to counter hegemonic pretenses. Most small states have neither the money, industrial, or intellectual capacity to pursue such a program. It merely highlights that when small states align themselves with those states already heading down the nuclear rabbit hole, the larger powers should take heed.

But soft balancing is not about hard power resources like nuclear weapons, it is about utilizing international institutions and garnering support to raise the cost of doing business for the hegemonic power under the status quo. It is not evident yet if Hugo Chavez has grasped this strategy or if his Bolivarian Revolution will be successful. What is important to take from this study is the avenues which Chavez has pursued to challenge United States’ preponderance in the international beyond his antagonistic rhetoric, and to investigate whether or not this approach is being pursued by other small powers.

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<sup>176</sup> Rothstein, *Alliances and Small Powers*, 312.

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